

# **A SHEEP-RUN OR A NATION?**

**The Evidence from  
Kelsall & Kemp (Tasmania) and  
Patons & Baldwins, Launceston**

by  
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A handwritten signature in black ink, appearing to read 'L Williams', written in a cursive style.

Laura Williams

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Laura Williams

## **ABSTRACT**

'Shall Australia be a sheep-run or a nation?', asked nationalists after the First World War. While this sentiment was not new, the war created an atmosphere in which the equation of nationhood with greater industrial self-sufficiency complemented the federal government's economic aims. Woollen manufacture proved ideally suited as a centre-piece in the campaign to promote local manufacture. Failure to develop the country's best known national export - wool - threatened to incline Australia more towards being a metaphoric sheep-run than an independent nation. Such apprehensions assisted in woollen manufacture becoming one of the sentimental icons in the push to industrialise. This work focuses primarily upon the establishment of two British woollen manufacturers, Kelsall & Kemp and Patons & Baldwins, whose foundation derived from the relationship between economic policy and Australian nationality. Concentration is upon the period between World War I and the Depression. During this period Australia's woollen industry made a successful transition from holding a minor domestic market share to being pre-eminent within the Australian market. The thesis does not attempt to provide a comprehensive study of the two companies even during the period emphasised. It rather examines how these companies' experiences relate to the broader concerns and practicalities of industrial development. It also explores how closely reality mirrored industrialisation's promises, as well as the associated benefits and costs. Symbolic of the contradictions characterising the 1920s were attempts to achieve greater industrial self-sufficiency through the attraction of companies controlled outside Australia. The influences of external control at Kelsall & Kemp and Patons & Baldwins were evident during these companies' establishment phase. The repercussions of direct foreign investment, however, become increasingly apparent in the late twentieth century. To demonstrate the progression of ideas, values and policies within Australia, the thesis' final chapter surveys the period since 1930. For decades the hopes of the 1920s seemed on the way to fulfilment, but more recently that prospect has diminished.



## **ACKNOWLEDGMENTS**

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## ABBREVIATIONS

*ADB - Australian Dictionary of Biography*

ad valorem - in proportion to the estimated value of goods taxed

AGM - Annual General Meeting

AOT - Archives Office of Tasmania

ARP - Arthur Robert Procter (general manager of P&B Launceston from 1923-1929)

B.P.T. - British Preferential Tariff

CP - Coats Patons

CSD - Chief Secretary's Department

EZ - Electrolytic Zinc Company

HEC - Hydro Electric Commission: successor to HED

HED - Hydro Electric Department

*HRA - Historical Records of Australia*

JN - James Nelson: whether the reference relates to the parent company or Launceston mill is specified within the text

K&K - used synonymously with K&K (Tas)

K&K Ltd - Kelsall and Kemp, Limited: inclusive of the company as a whole, but also used synonymously as a reference to the parent company or K&K Rochdale

K&K Rochdale - headquarters of K&K Ltd and used synonymously as a reference to the parent company

K&K (Tas) - Kelsall and Kemp (Tasmania), Limited: the Launceston manufactory under consideration

LCC - Launceston City Council

LCC Press Cuttings - Launceston City Council Press Cuttings

P&B - used synonymously with P&B Launceston

P&B Alloa - refers to the Patons and Baldwins mill at Alloa. Prior to amalgamation was the head-quarters of John Paton, Sons & Company, Limited

P&B (Australasia) Ltd - Patons and Baldwins (Australasia), Limited: the Melbourne-based distributor of P&B goods in the Australasian region

P&B Halifax - refers to the Patons and Baldwins mill at Halifax, also the headquarters of P&B Ltd. Prior to amalgamation was the head-quarters of J. Baldwins and Partners Limited

P&B Launceston - Patons and Baldwins, Limited, Launceston: the Launceston manufactory under consideration. As with all other place names included after a reference to P&B, the term Launceston is not officially used in the Launceston mill's title, but is included in this work for ease of identification.

P&B Ltd - Patons and Baldwins, Limited: inclusive of the company as a whole, but also used as a reference to the parent company

PD - Premier's Department

QVM - Queen Victoria Museum and Art Gallery, Launceston: in the context of this work refers specifically to the Community History Branch.

SWD - Social Welfare Department

*THRA - Tasmanian Historical Research Association*

*TJPPP - Tasmania. Journals and Printed Papers of Parliament*

\* \* \*

References to money, distance, area and liquids for the most part are given in pre-1965 terms. One money pound (£) nominally equates with two dollars, but in today's real terms the closer equivalent with c.1925 is some \$60; twelve pence (d.) make one shilling (s.), and twenty shillings one pound. One weight pound (lb.) = 0.454 kilogram; one mile = 1.61 kilometres; one acre = 0.405 hectare; one gallon = 4.546 litres.

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## INTRODUCTION

The Australian protective system ... is based on a growing nationalism, intense and rather conscious, which expresses itself in the cry 'Australia for the Australians', in the belief that the country is better than any other land, and in the desire to have a national army, navy, manufactures and culture. 'Shall Australia be a sheep-run or a nation?' asks a leading protectionist publication almost every week. From this desire for economic nationhood comes the desire to be self-sufficing, self contained.<sup>1</sup>

Encouragement of greater self-sufficiency in the name of Australian nationalism had prevailed around the island continent since the nineteenth century.<sup>2</sup> An upsurge of patriotism associated with World War I provided much impetus to such ideas. The war highlighted Australia's vulnerability as a country largely reliant upon imports of manufactured goods. Transportation difficulties and domestic needs had seen Britain, long Australia's most significant source of imports, unable to meet Australian demand during the conflict. Much of the resultant shortfall was taken up by alternative suppliers, particularly the United States and Japan, but there were also opportunities for Australian manufacturers. Despite problems procuring the necessary capital, equipment, and skilled labour, many manufacturers profited greatly, few more so than the woollen industry. With the textile industry returning over 31% on investment capital between 1915 and 1917,<sup>3</sup> the war demonstrated Australia's potential for industrial development. These industrial successes also helped prove what nationalists had long maintained, that Australia was capable of being more than just a primary producer, feeding and enriching British industry. Such views had been given further credence by long-standing neo-classical visions of empire in which the evolution from agricultural to more commercially sophisticated societies was seen as the natural course of social and economic development.<sup>4</sup> The relationship between industrialisation and nationhood thus took on renewed significance after the war.

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<sup>1</sup> Definition for 'Tariffs' in Arthur Jose et al., *The Australian Encyclopedia* (Sydney, 1927).

<sup>2</sup> James Bonwick expressed this sentiment in 1887 when he claimed that the cry 'Australia for the Australians' was evidenced "in the desire to make the island continent self-contained". Wanting self-sufficiency in food, clothing and manufacture, Bonwick particularly encouraged the development of woollen manufacture.

James Bonwick, *Romance of the Wool Trade* (London, 1887), p.467.

<sup>3</sup> Colin Forster, 'Australian Manufacturing and the War of 1914-1918', *The Economic Record: The Journal of the Economic Society of Australia and New Zealand*, 1953, vol. 29, p.214.

<sup>4</sup> See Robert Dixon, *The Course of Empire: Neo-Classical Culture in New South Wales 1877-1860* (Melbourne, 1986).

Although published over 30 years ago, Colin Forster's work on post-war industrialisation remains the authoritative voice on this period and the subject has since received little further development. This thesis aims to expand upon one small aspect of Forster's work through close examination of the establishment process of two woollen mills. National enthusiasm for promoting domestic manufacturers in the post-war period "found one of its chief expressions in a desire to see the growth of local woollen mills".<sup>5</sup> Woollen manufacture was ideally suited as a centrepiece in the campaign to promote local manufacture because the industry already had a basic framework in place and its war-time profitability proved attractive to investors. Also significant was the sentiment most Australians held for the woollen industry. All Australians knew the adage that their country rode on the sheep's back. If it was wrong to enrich other countries by supplying raw products and buying back manufactured goods, the offence was intensified when it came to Australia's best known national export. As part of efforts to encourage industrial development after the war the federal government established the Bureau of Commerce and Industry "to help force the establishment of new industries, and the development of existing ones".<sup>6</sup> Bureau director, Henry Joseph Stirling Taylor, became "the main official spokesman"<sup>7</sup> in the drive to encourage local woollen manufacture.<sup>8</sup> Utilising nationalistic sentiment, Taylor argued that allowing others to manufacture our wool was:

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<sup>5</sup> Colin Forster, *Industrial Development in Australia 1920-1930* (Canberra, 1964), p.74.

<sup>6</sup> E.A. Painter, General Secretary of Australian Textile Workers' Union, Federal Council, Melbourne, To Premier Lyons, 26/7/1926: PD1 179/30/26.

<sup>7</sup> Forster, *Industrial Development*, p.74.

<sup>8</sup> Taylor (1874-1948) is personally credited with assisting between 20 and 24 woollen manufacturers to establish in Australia during his time with the Bureau. His involvement with Launceston's textile industry, however, appears to have been limited to an ideological contribution. Taylor's worth was nevertheless recognised by State authorities. In July 1926, E.A. Painter of the Australian Textile Union wrote to Premier Lyons suggesting that the Tasmanian government utilise Taylor's services further to develop secondary industries within the State. The State government agreed with the Textile Union's glowing appraisal of Taylor and claimed to be aware to his capabilities from a visit Taylor had made to Tasmania in connection with the State Development Board in 1924. While admitting they would have no hesitation in seeking the benefit of Taylor's advice, this was put on hold because the Board had virtually ceased to function because of delays regarding the Imperial Migration Agreement. The Australian Textile Union claimed that "Perhaps no one can point to a more effective record" than that held by Taylor, describing him as a "fine man of wide vision, Australian outlook and marked constructive and administrative capacities". The Textile Union were therefore scathing of Taylor's dismissal from the Bureau in 1924 after the Bruce-Page government took power, seeing it as a victory for importing interests and a retrograde step for the country. H.J.W. Stokes, 'Taylor', in *ADB*, vol. 12, pp.181-2; & Painter, To Lyons, 26/7/1926; & J. Allan Guy, Acting Premier, To Painter, 6/8/1926: PD1 179/30/26.

Economically - a farce  
 Industrially - a tragedy  
 Nationally - a humiliation.<sup>9</sup>

Perpetuating this practice was “deliberately choosing to continue [as] ‘the hewers of wood and drawers of water’ to those nations who use OUR wool to create THEIR wealth”. These words told the lesson that failure to develop the country’s own woollen industry inclined Australia more towards being a metaphoric sheep-run than an independent nation. The ideological weight of such arguments assisted in ‘woollen manufacture becoming one of the sentimental icons in the push to industrialise.

Proving the success of this campaign, in early 1924 Launceston’s *Examiner* newspaper noted the “unprecedented activity in woollen manufacture” since the war. With 36 new mills so far established, the *Examiner* expressed satisfaction that Launceston had acquired two such mills.<sup>10</sup> It is these two woollen mills which provide the focus of this study. The mills were established in close succession in the early 1920s by well-known British firms, Kelsall and Kemp Limited and Patons and Baldwins Limited. Between the war and Depression only five woollen manufacturers are known to have established in Australia using British capital.<sup>11</sup> Although Australia’s woollen industry was centred in Victoria, with New South Wales claiming honours as the second largest employer, two of the five mills financed with British capital were located in the same northern Tasmanian city. Forster believed that as far as Australia’s woollen industry was concerned, growth of the industry in Tasmania was “One of the more interesting developments in this period”.<sup>12</sup> The industry was certainly one of great significance to Tasmania after World War I. With this growth centred in Launceston, Tasmania’s second largest city and self-proclaimed industrial capital of the State, a woollen manufacturing industry in which the two British firms were central figures would emerge as the region’s main secondary industry. Focusing upon the establishment of mills by these two companies in Launceston, this study aims to explore some of the costs and benefits of industrialisation, both to the companies involved and the regions in which they settled. Whether or not reality mirrored industrialisation’s promises will be a central theme of the story.

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<sup>9</sup> Bureau of Commerce and Industry, *Annual Report*, year ended 30/6/1922, as cited in Forster, *Industrial Development*, p.74.

<sup>10</sup> *Examiner*, 26/1/1924, p.5.

<sup>11</sup> Forster, *Industrial Development*, p.82.

<sup>12</sup> Forster, *Industrial Development*, p.88.

Australia's industrial history has long been a neglected area of research, perhaps as a result of excessive concern with Australia as a sheep-run. Geoffrey Blainey, in his 1950s study of Tasmania's Mt. Lyell mines, was one of the national pioneers in this field,<sup>13</sup> although the emphasis was still upon primary rather than secondary manufacture. Since the 1960s N. Butlin, C. Forster, G. Abbott, N. Nairn and G. Linge have been amongst those who began to redress academic disregard for Australia's industrialisation process.<sup>14</sup> Much of the work in Tasmania has focused upon hydro-electricity, an essential force in Tasmania's industrial history. While articles and more general histories have looked at various Tasmanian companies and specific industrial personalities since the middle of the century, it is only since the 1980s that Tasmania's industrial history has received greater emphasis. In the early 1980s the publication of *Launceston's Industrial Heritage*<sup>15</sup> was the first significant attempt to catalogue the industrial development of any Tasmanian region and provides a broad picture of the industrialisation of Launceston. Since then, significant southern Tasmanian manufacturing companies such as Electrolytic Zinc and Cadbury-Fry-Pascall<sup>16</sup> have also received detailed attention. This study is the first specifically to examine a Launceston based manufacturing industry. The thesis does not, however, attempt to provide a comprehensive study of the companies during the period of concern. It rather aims to examine how these companies' experiences relate to the broader concerns and practicalities of industrial development, particularly for companies in which control is externally based. In order to do this it is first necessary to understand the environment in which the companies were established.

The world remained in a state of flux after the war, creating a sense of insecurity about where various countries fitted into the new, somewhat shaky, world order. Lloyd Robson sees the 1920s as a period of "rampant contradictions" in which "Australians searched for a vision of the world and their part in it - a vision which

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<sup>13</sup> See Geoffrey Blainey, *The Peaks of Lyell*, (Carlton, 1954).

<sup>14</sup> A selection of their work is cited in the bibliography.

<sup>15</sup> Miranda Morris-Nunn & C.B. Tassell, *Launceston's Industrial Heritage: A Survey*, Parts 1 & 2 (Launceston, 1982 & 1983).

<sup>16</sup> See Ruth Barton, 'Cooperation and Labour Management at Electrolytic Zinc and Cadbury-Fry-Pascall Between 1918 and 1939', MA, University of Tasmania, 1989; Alison Alexander, *A Heritage of Welfare and Caring: The EZ Community, 1918-1991* (Risdon, 1991); & Bruce Brown, *I Excel! The Life and Times of Sir Henry Jones* (Hobart, 1991).

would make sense”.<sup>17</sup> With rapid changes occurring globally, progress was the key to viability and prestige. Industrialisation was equated with progress and was seen as being crucial to creating a strong Australia. This desire for national strength was also apparent in “a contemporary obsession with Australia’s ‘smallness’”.<sup>18</sup> The war gave greater urgency to fears about Australia’s need to populate or perish, and immigration was seen as the answer. Population growth, however, created its own problems. Industrialisation offered a temporary solution to the inconsistency between Australia’s desire to maintain and improve existing wage levels and living standards, while increasing population.<sup>19</sup> The growth of labour intensive industries helped alleviate unemployment during this period but, as a solution to Australia’s problems, had its limits. Australia’s high cost structures meant that industrialisation focussed upon increasing local manufacturers’ share of the domestic market through import replacement. Nevertheless, striving for industrial strength and its complementarity with national independence did offer some comfort to the Australian public in the face of world-wide instability.

These post-war fears were intensified in Australia’s island State. Geographic isolation made Tasmania marginal to broader Australian considerations. Resultant insecurities led Tasmanian authorities to be enthusiastic supporters of the industrialisation push. The development of Tasmania’s hydro-electric power scheme during the 1910s had created an optimism within the State that Tasmania actually had some advantage over its mainland counterparts in the rush to industrialise, at least in attracting large power-consuming industries. The provision of inexpensive power to such enterprises - the policy of hydro-industrialisation - underlay Tasmania’s industrial development. Even geographic isolation had some advantages in the bid to attract industry. Tasmanian labour, on the whole, failed to join the industrial unrest characterising this period. Able to claim an adaptable, yet industrially docile, work force was an attractive incentive to industry in the post-Bolshevik years. Tasmania made much of this point and it was certainly one factor influencing the attraction of both K&K and P&B, as well as other large post-war industrial arrivals such as mineral

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<sup>17</sup> L. Robson, *Australia in the Nineteen Twenties: Commentary and Documents, Topics in Australian History Series* (West Melbourne, 1980), p.iv.

<sup>18</sup> Neville Cain, ‘Political Economy and the Tariff: Australia in the 1920s’, *Australian Economic Papers*, June 1973, No. 12, p.2.

<sup>19</sup> Cain, ‘Political Economy’, p.3.

processor, Electrolytic Zinc, and two other British firms, chocolate manufacturer, Cadbury-Fry-Pascall and Rapson Tyre and Rubber Company.

Although industrialisation was promoted in terms of its links to nationhood, regional parochialism was perhaps a stronger influence within Tasmania than was nationalistic sentiment. However, the two forces were not - as may be assumed at first glance - hostile and opposite to each other; rather regionalism sought and found strength by invoking nationalism, and that process is a major theme of this study. Henry Reynolds pointed out that "Regionalism was probably an inevitable concomitant of Australian settlement and the ubiquitous tyranny of distance".<sup>20</sup> Tasmania's isolation and settlement experience created an environment in which regionalism thrived. The longest standing intrastate battle was between Tasmania's two largest cities, Hobart and Launceston. With a tradition of self-reliance generated by perceived neglect from Hobart based government, Launceston Council and residents were keen adherents of the idea of industrialisation. As will be seen, Launceston City Council was, arguably, not just Tasmania's most active in its efforts to attract industry, but one of the most active in Australia.<sup>21</sup> (In terms of the city's contribution to Australianism, this activity may be seen as echoing its earlier dynamic support to campaigns against transportation of convicts and on behalf of Federation - both nationalist movements, yet both also serving the city's particular interests.) While the Council may have had the same concerns which led industrialisation to be embraced on a national basis, local conditions also meant that industrialisation made particularly good economic sense. Northern Tasmania lacked a diversity of employment opportunities. Mining, the region's main primary industry, had been in decline since the 1910s, and the return of ex-servicemen meant that a source of alternative employment was required with some urgency.

Nevertheless, local economic expediency or nationalistic rhetoric would, by themselves, have done little to induce the expansion of industry within Australia if not accompanied by significant tariff protection. Tariff protection predated federation and had previously been used by Australian colonies, Victoria in particular, to foster home

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<sup>20</sup> Henry Reynolds, 'Australian Nationalism and Tasmanian Patriotism', *The New Zealand Journal of History*, April 1971, vol. 5, No. 1, p.29.

<sup>21</sup> In 1900 the *Cyclopedia of Tasmania* credited Launceston with probably the most progressive Corporation in Australia, events in the 1920s upholding such claims. *Cyclopedia of Tasmania* (Hobart, 1900), p.82; Also see Stefan Petrow, *Sanatorium of the South? Public Health and Politics in Hobart and Launceston 1875-1914* (Hobart, 1995).

industries. Until the First World War, however, tariffs continued to be used predominantly for revenue raising.<sup>22</sup> The 1920-1921 Massy-Greene tariff was significant because its main intention was to build upon industrial gains made during the war, and to encourage the growth of existing industry and the creation of new industry. Nurtured by tariff protection, the textile industry would prove to be one of the great success stories of Australia's industrialisation policy. Constituting only a minor market share against imports before the war, by the end of the 1920s the situation had been reversed.<sup>23</sup>

Although the Massy-Greene tariff was central to government efforts to industrialise, tariff protection was never universally embraced within Australia. With woollen manufacture central to a tariff-induced industrialisation campaign, the level of protection afforded this industry came under considerable attack in the 1920s. Opposition came not just from importing interests. Senator J.F. Guthrie,<sup>24</sup> a crusading protectionist and acknowledged woollen expert with mill holdings, saw the 1920 tariff as "protection run stark staring mad".<sup>25</sup> Believing that a "rattling good profit" could be made in the textile industry at the pre-existing tariff level, he criticised the decision as protecting "an industry which, on the evidence of the people in it, can do with very little protection". Guthrie's claims were, however, made during a period of prosperity for the industry. A backlog of Australian domestic orders after the war had been accompanied by Australia's main textile supplier, Britain, likewise concentrating upon its own home markets. By 1923 the textile boom had come to an end as extraordinary post-war home demand, both in Australia and abroad, was met. Imports again re-entered the market. The industrialisation of more countries also created greater competition and, consequently, saw aggressive world trading. High cost structures placed Australian industry at a disadvantage under these circumstances. Establishment of K&K and P&B corresponded with the end of the textile boom. The experiences of these two mills highlights some of the problems faced by industry establishing during this period, as well the types of issues facing all levels of Australian government in the

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<sup>22</sup> Revenue raising and industrial protection had been a dual concern of tariffs since federation.

<sup>23</sup> The 1920 tariff, as it relates to textiles, was largely a confirmation of 1914 tariff increases which had not yet been effectively tested due to the war.

Forster, *Industrial Development*, pp.72 & 75.

<sup>24</sup> Allan Barnard, 'Guthrie', in *ADB*, vol. 9, pp.144-5.

<sup>25</sup> 'The Tariff in the Senate', 18/8/1921: K&K Press Cuttings.

Duties remained in the schedule at 30% for British goods, intermediate 40%, and general 45%.

drive for greater industrial self-sufficiency. By the mid-1920s conditions were such that the only way for Australia to maintain its economic gains was to further increase tariffs, the same occurring at the decade's end as economic conditions again took a down-turn.<sup>26</sup>

Greater tariff protection alone did not ensure a greater domestic market share for local manufactures. With locally manufactured goods traditionally perceived as inferior to their imported counterparts, it was necessary to change public perception. As already seen, strong national feeling associated with the war was used to encourage industrialisation. National sentiment was also invoked to encourage Australians to support their manufacturers, and hence their country, by purchasing locally manufactured goods. Tariff increases went hand in hand with propaganda campaigns to encourage Australians to buy Australian-made products. The campaign had its problems, as the reputation of British textile products posed serious hurdles to local manufacturers. These hurdles were heightened when teething problems experienced by new mills resulted in poor product quality. The continuous propaganda campaign for Australian woollens products in the post-war period linked considerations of price and quality with nationalistic arguments.<sup>27</sup> In September 1921, for example, Launceston's *Weekly Courier* announced that 4 August was a "Great Red-Letter Day" for Tasmania's textile and industrial history.<sup>28</sup> The event so celebrated was a shop-window display featuring the first set of worsted patterns woven in Tasmania. The *Courier* challenged people to inspect, and if satisfied, purchase this new product, thus aiding the country to "advance another step to the ideal of 'A self-sustained Australia'".

British firms had a vested interest in propagating a belief in the superiority of British manufactured goods. Once operating inside Australia, however, these companies continued to hold an advantage over their local counterparts. Able to take advantage of Buy Australian propaganda, British companies also benefited from brand names already familiar to the consumer and associated with quality products. J.B. White, P&B's general manager from the late 1920s, utilised his company's heritage when claiming; "Only has one to examine the products of the Launceston mill in the retail stores to realise that the Australian branch of this old established firm is setting a

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<sup>26</sup> Forster, *Industrial Development*, pp.13, 78-79.

<sup>27</sup> Forster, *Industrial Development*, pp.19-20, 75.



very high standard in maintaining the quality of their yarns in accordance with the traditions of their forefathers”.<sup>29</sup> Nevertheless, the stigma of inferiority surrounding Australian-made goods lingered, even for British companies based in Australia. As late as 1963, vice-chairman of K&K’s parent company, I. Hill, was defending reports that Tasmanian textile products were not equal to their imported counterpart. “My view”, Hill claimed, “is that Kelsall & Kemp (Tas.) is either technically equal to, or in some cases superior to, the parent company in Rochdale, which is regarded as one of the most successful and efficient medium-sized textile companies in Great Britain”.<sup>30</sup>

Australia’s push to industrialise after the war may have addressed a number of post-war concerns, but in superficial ways also contradicted broader policy. The government had declared “men, money and markets” as the slogan encapsulating the direction of Australia’s post-war economic development. It seemed to echo “the Old Imperial division of labour” in which Britain supplied its colonies with men and money, and Australia produced the raw materials to be manufactured in Britain and then purchased in the Australian market.<sup>31</sup> Under this system Australia’s economic growth was, in theory, confined primarily to rural developments. Barrie Dyster and David Meredith point out that the “men, money, markets” policy of the 1920s not only ignored international circumstances, but was also contradicted by the diversification of the Australian economy going on since the 1890s, particularly manufacturing diversification.<sup>32</sup> The federal government was not, however, oblivious to such changes. Although professing to serve Britain’s interest, the government concurrently used imperial slogans as a means of securing national ends.<sup>33</sup> It recognised the necessity of industrial growth for the well-balanced economic development which was vital to Australia’s national interests.<sup>34</sup> Australia therefore continued to affirm its dependence upon Britain, while the government simultaneously promoted industrialisation to an Australian audience as a means of achieving greater national self-sufficiency.

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<sup>28</sup> *Weekly Courier*, 8/9/1921: K&K Press Cuttings.

<sup>29</sup> Extract from *Pioneer Booklet*, 1934, signed J.B. White: ‘Some Old Records & Information of Interest - From 1923’. Held by CP.

<sup>30</sup> ‘Expansion in use of Wool Forecast’, 21/8/1963: CP Press Cuttings, ‘K-Z’.

<sup>31</sup> Barrie Dyster & David Meredith, *Australia in the Twentieth Century* (Cambridge, 1990), p.107.

<sup>32</sup> Dyster & Meredith, *Australia in the Twentieth Century*, p.313.

<sup>33</sup> Michael Roe, *Australia, Britain, and Migration, 1915-1940: A Study of Desperate Hopes* (Oakleigh, 1995), p.48

<sup>34</sup> W.H. Richmond, ‘S.M. Bruce & Australian Economic Development Policy 1923-9’, *Australian Economic History Review*, March 1983, vol. 23, pp.239-40.

Despite the policy's inherent contradictions, the establishment of companies such as K&K and P&B did largely fulfil the criteria encompassed by "men, money and markets". These two companies assisted Australia's desire to increase its population. Shortages of skilled labour made it necessary for the companies to introduce virtually all management, along with their core work force, from Britain. The companies continued to nominate a number of migrants throughout subsequent years, but more significant numbers were associated with chain migration as original migrant employees nominated friends and family. British in nationality, the workers were ideally suited to the country's white Australia policy, and had the advantage of arriving to ready-made jobs. Michael Roe shows that, despite recognising the need to increase population, migrant arrivals had few Australian supporters. Although resentment certainly existed towards some of the Launceston textile migrants, their story is generally a more positive one than the "desperate hopes" permeating the migrant experience in Roe's work.<sup>35</sup>

Australia had always depended heavily upon Britain for its capital and the arrival of companies such as K&K and P&B was, in one sense, the continuation of a long-established trend. Encouraging British interests to establish firms, rather than merely provide capital, had additional advantages for Australia's industrial development. British-owned or controlled companies were able to acquire machinery almost impossible to procure after the war, along with supplying technical expertise and skilled workers. Investment by British companies also encouraged local investment confidence. Australians were more likely to put money into an established, reputable company, than into one unknown. The success of these companies then helped stimulate further development. These were precisely the types of benefits Australia sought from its association with the British Empire, and were pursued with much determination by successive Australian Prime Ministers, W.H. Hughes and S.M. Bruce.<sup>36</sup> These were the same leaders who simultaneously utilised post-war national sentiment to promote industrialisation. Depending upon perspective or audience, arguments for industrialisation could therefore be used to support apparently opposing viewpoints. While Australian nationalists focused upon the increased independence

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<sup>35</sup> Roe, *Australia, Britain, and Migration*.

<sup>36</sup> Hughes held the Australian Prime-Ministerial post from 27 October 1915 to 9 February 1923, and was replaced by Bruce, who remained in office until 22 October 1929.

provided by manufacturing our own goods, supporters of British imperialism held that Australian manufacturing development strengthened ties within the Empire. Even before Australia's post-war push to industrialise, the English-based *Financial News* had viewed British investment in the colonies' development as a means of Empire building. "News of the steady progress of a great colony" it was claimed, "is heartening to an Imperialist".<sup>37</sup> By 1919 *The Times Imperial and Foreign Trade and Engineering Supplement* tempered the *Financial News* enthusiasm for colonial development with a warning; "industrial development in the Empire, properly handled, can be the greatest factor in Imperial Unity, neglected it may prove the surest means of separation".<sup>38</sup> With the Australian federal government committed to industrial development through tariff protection and seeking to attract capital, British manufacturers with markets in Australia were largely pre-empted into direct investment in this period. If they did not invest, Australian or other foreign manufacturers would likely take their place. America was the greatest threat.

Development of manufacturing industries intended to cater for Australia's domestic market did not correspond with Britain's prescribed role within the money-markets trilogy. Nevertheless, recognition that development of Australian industry was inevitable, meant that the establishment of branch plants within Australia by British firms was the next best option to retain Australian markets. As previously discussed, the companies' British origins then gave them a distinct domestic market advantage.

Concentration within this study upon companies formed by direct foreign investment also highlights the ambiguity between Australia's desire to industrialise after the war and the use of non-Australian capital to do so. The extensive use of such capital to found Australian manufacturing development generally during this period (and beyond) led to criticism that, rather than achieving greater self-sufficiency by striving toward industrial self-sufficiency, Australia was swapping one form of imperialism for another. In 1941 Brian Fitzpatrick wrote, "There is still something essentially colonial about the Australian economy, still a very effective measure of

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See Chris Cunneen, 'Hughes' in *ADB*, vol. 9, pp.393-401; & Heather Radi, 'Bruce', in *ADB*, vol. 7, pp.453-460.

<sup>37</sup> *Financial News*, 14/3/1912: PD1 38/13/12.

<sup>38</sup> *The Times and Foreign Trade and Engineering Supplement*, 13 December 1919, cited in Peter Cochrane, *Industrialisation and Dependence: Australia's Road to Economic Development, 1870-1939* (St. Lucia, Queensland, 1980), p.5.

economic control by British capital interests by virtue of their investment in Australia".<sup>39</sup> Viewing the expansion into Australia by overseas companies as a deliberate attempt by foreign imperial powers to maintain the status quo would, however, be over-estimating the control imperial powers exerted over these companies. The 1920s expansion into Australia was the first overseas manufacturing venture for both the companies under consideration. It was also the embryonic stages of a movement towards companies which were continually expanding and increasingly international, rather than national, in nature. These came to be known as multi-national enterprises or corporations (MNEs).<sup>40</sup> While the attention given to MNEs is relatively recent, their origins date back to the exploitation by British, Dutch, and French firms of the resources of their governments' overseas possessions. Due to poor transportation and communications and a preoccupation with domestic markets, manufacturing firms were generally slower to develop foreign operations.<sup>41</sup> Towards the end of the nineteenth century the fundamental structure of business organisation began to change. While the earliest companies consisted of partnerships of capitalists, the necessity of growing enterprises to control large amount of capital and restrict competition saw "combination and monopoly in business organisation".<sup>42</sup> World War I interrupted this trend by halting pre-existing plans and directing production towards domestic government purposes.<sup>43</sup> During the inter-war period under review, however, both K&K and P&B joined in the continuation of this "interweaving of interests".<sup>44</sup>

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<sup>39</sup> Brian Fitzpatrick, *The British Empire in Australia: An Economic History 1834-1939* (Melbourne, 1941), p.436.

<sup>40</sup> A multinational enterprise "is a company that is headquartered in one country but controls productive facilities and sales outlets in other countries. Its operations involve flows of capital, goods, services, and managerial and technical personnel among its subsidiaries. Ultimately this leads the enterprise to assume a global outlook and strategy".

Brian Berry, Edgar Conkling, & Michael Ray, *The Global Economy: Resource Use, Location Choice and International Trade* (Englewood Cliffs, New Jersey, 1993), p.403.

<sup>41</sup> Berry, *The Global Economy*, pp.403, 406-407

A few pioneering industrial firms, such as Singer, Westinghouse, Kodak, and Western Electric, went abroad with their new products and manufacturing technologies during the late 1800s, their numbers gradually increased until the Great Depression.

<sup>42</sup> F.J. Wright, *The Evolution of Modern Industrial Organisation* (London, 1967), pp.55 & 115.

<sup>43</sup> Wright, *Industrial Organisation*, pp.116-7

<sup>44</sup> Wright maintains that the troubles of Britain's textile industry, along with the iron and steel industry, in the inter-war period arose from British industrialists' reluctance to combine. Wright, *Industrial Organisation*, pp.117 & 141.

With the emergence of multinational enterprises as powerful entities,<sup>45</sup> economists began devising theories to explain MNE's origins and behaviour, including identification of stages usually associated with the internationalisation of a company. The development of MNEs generally demonstrate a progression from servicing their local domestic market, beginning to export, establishing overseas distributorships as export sales increase, to forming new companies within the export market to more efficiently distribute products manufactured by the home firm. The company may then decide to commence manufacturing overseas, usually motivated by exports reaching a sufficient level to justify either constructing a factory or acquiring an existing business. As will be seen, both K&K and P&B basically followed this line of progression and it is at this point that the thesis begins. When deciding whither to expand, MNEs were also found to "exhibit a strong preference for similar cultures in nearby countries".<sup>46</sup> Experience was necessary before location choices were efficient responses to global economic opportunities and conditions. Although Britain and Tasmania were almost as far apart as geographically possible, this does not subvert established theory. As Geoffrey Blainey remarks of Britain and Australia at large, while "Poles apart in position, in commerce they behaved as if they were neighbours".<sup>47</sup> Additionally, Tasmania was more able, than almost any other location, to claim similarity with Britain. The State had long been recognised as being more English than England itself.<sup>48</sup> The region therefore offered companies introducing migrants workers the promise of an easier transition when relocating to the other side of the world. The similarity and consequent suitability of Launceston's weather compared with Britain's textile regions was likewise conducive to attracting British textile companies.

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<sup>45</sup> It was only after WWII that multinationals truly burst upon the world commercial scene, the greatest surge coming in the 1960s when USA multinationals moved abroad in numbers, aided by new developments in transport, communication, and industrial technology and corporate organisation. By the late twentieth century, some such companies had grown to a size that ranked their sales along with the gross national product (GNP) of entire countries. In fact if the countries of the world are ranked on a basis of GNP, half the top hundred places go to MNEs.

Berry, *The Global Economy*, p.299.

<sup>46</sup> Berry, *The Global Economy*, pp.409 & 307-8.

<sup>47</sup> Geoffrey Blainey, *The Tyranny of Distance: How Distance Shaped Australia's History*, (London, 1982), p.314.

<sup>48</sup> For example see 'Lord Leverhulme, Visit to Launceston' 25/1/1924: LCC Press Cuttings, 18/4/1923-19/1/1926.

Himself an industrialist, Leverhulme claimed that after previously visiting Tasmania 30 years earlier he had always said that "Tasmania is the most English of any of our dominions".

It would, however, be a mistake to give too much credit to Tasmania's "Englishness" as a factor in attracting British industry. While familiarity may have offered some benefits, the companies' location choices were based upon economic considerations. England had entered the Industrial Revolution, a revolution centred around textile manufacture, as "a great commercial nation".<sup>49</sup> By the outbreak of World War I, however, industrialisation by Britain's traditional markets meant that Britain's proportion of total world output was in decline and further markets could not afford to be lost. The imposition of tariffs prompted British companies to move into Australia if they wanted to retain their Australian markets. The availability of raw material heightened Australia's appeal as a manufacturing centre, and Tasmania's single greatest appeal was inexpensive hydro power.

A brief examination of the development of MNEs reveals that the reasons for companies establishing overseas branches were complex. The evolution of the capitalist system and Britain's changing economic status combined to encourage British companies to take advantage of Australia's desire to industrialise. Kosmas Tsokhas appropriately warns that "an imperial fallacy" has allowed Britain's domination over the rest of the empire to be too easily assumed. Tsokhas believes that this position has led to a flawed understanding of twentieth century Australian history:

It has blocked the way to a balanced assessment of the costs and benefits of Empire for Australian capitalism and simplified what in reality was a highly complex and contradictory history of political-economic alliances between British Australian and Anglo-Australian companies, industries and business organisations.<sup>50</sup>

Only by close scrutiny of such enterprises as Kelsall & Kemp and Patons & Baldwins can be revealed the dialectic of empire and nation, for long the pulse of Australia's history.

The work itself is divided into four sections, each examining a particular phase of the two companies development. Section A is concerned with the process of attracting companies into the region. The first chapter provides an overview of the local textile industry's development in the lead-up to K&K and P&B's arrival. It also examines the initial motives for, and problems surrounding, establishing this industry within Tasmania. Chapters 2 and 3 look at the process of inducing the respective companies to establish in the Launceston region. These chapters conclude as the mills

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<sup>49</sup> Wright, *Industrial Organisation*, p.45.

became ready to commence production. Many of the problems faced by both the companies and government authorities provide a microcosm of the industrialisation process nationally in the post-World War I period. Yet a number of the issues are distinctly Tasmanian. Although separated, these two chapters are intrinsically connected, as the issues elaborated upon in the chapter on Kelsall and Kemp are generally the same areas of concern for Patons and Baldwins. The final chapter in this section links winning of these two companies with the Launceston Council's efforts to attract other industry in the post-war period. Throughout the 1920s, the Council's emphasis remained upon textile manufacturers, great zeal being shown in the battle to attract industry. This theme relates to a major work about Tasmanian "boosterism" - the process of selling Tasmania - by Simon Harris.<sup>51</sup> The chapter further reveals the interplay of regional and nationalist dynamics.

Section B consists of one substantial chapter on how the companies fared in their first years of operation, and covers the period from 1923 until the Depression. Focusing predominantly upon the economic environment in which the companies operated, it examines the teething problems experienced and successes achieved. Attention is also given to the establishment of a number of other industries during this period, all in some way linked to the companies under review. The four major subsections provide a picture of the ups and downs characterising these years. The period concludes with the foundations laid to allow the successful operation of the companies for the next thirty plus years.

Section C spans the time frames covered by both preceding sections. Addressing the people behind the companies, this section aims to add a human dimension to the wheelings and dealings, bricks and mortar, and cost analyses involved in establishing an industry. As both companies were British-owned or controlled and introduced a core work force from their home mills, chapter 6 looks at the process of industrial migration and the migrants themselves. Chapter 7 focuses upon these textile companies' labour forces. As the study thus far revolves around the establishment process, emphasis is given to labour issues of particular concern to companies during establishment. Introduced labour was a significant part of this process, so still further

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<sup>50</sup> Tsokhas, *Money, Markets and Empire: The Political Economy of the Australian Wool Industry* (Carlton, 1990), p.1.

<sup>51</sup> Simon Harris, 'Selling Tasmania: Boosterism and the Creation of the Tourist State 1912-28', PhD, University of Tasmania, 1993.

attention is given to migrant workers, more than their sheer numbers in the work force would otherwise warrant. The chapter does not therefore attempt to provide a comprehensive analysis of the problems facing Australian or Tasmanian labour generally during this period, but, to some extent, inexorably touches upon these areas.

While this study basically follows Colin Forster's stress on the 1920s because of its significance as a period of rapid growth for the textile industry, Section D progresses beyond that decade. Consisting of a single chapter which covers the period from the Depression until present, it provides an overview of the two companies' progress, as well as highlighting significant events affecting K&K (Tas), P&B Launceston and the textile industry generally. Particular emphasis is placed upon the post-1973 period. While Launceston's textile industry had gone from strength to strength in the 1920s, changing national and international circumstances in the 1970s began an industry demise which apparently is still taking place. At the same time there remains talk of the need for value-adding and down-stream processing. The ambiguities and contradictions of the 1920s thus have their successors, not so different in essence, but perhaps yet more corrosive.



## CHAPTER 1

### THE ORIGIN OF LAUNCESTON'S TEXTILE INDUSTRY

Australia's industrial development was unique amongst British colonies, not least because Australian settlement ran concurrent with the industrialisation of Britain. Australia's penal function meant that economic growth was largely government directed in the early years of settlement, as opposed to the predominance of private enterprise in other colonies. While Britain never envisaged colonies entering into competition with its own secondary industries, undertakings which assisted a financially dependent prison-society towards self-sufficiency were encouraged.<sup>1</sup> The desire to achieve self-sufficiency aided development of woollen manufacture, the industry under consideration in this work, in two interconnected ways. Firstly, the new colony recognised early its need for staple export commodities to offset import expenses. Australia's potential as a supplier of primary products for British industry had been recognised before European settlement. Encouraged by the success of Britain's woollen manufactories, and supply shortages resulting from the Napoleonic wars, wool soon emerged as one of the main products to fulfil this role. Although attempts to improve wool quality began in NSW before the end of the eighteenth century, no great improvements were made in VDL until 1820,<sup>2</sup> when three hundred lambs were imported from the flocks of John Macarthur.<sup>3</sup> Although very modest, ventures in the textile industry in both NSW and VDL corresponded approximately with the start of flock improvements.<sup>4</sup>

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<sup>1</sup> D.K. Fieldhouse in G.J. Abbott & N.B. Nairn, *Economic Growth of Australia 1788-1821* (Carlton, Victoria, 1969), p.27.

<sup>2</sup> T.W.H. Leavitt, *The Jubilee History of Tasmania* (Melbourne, 1887), pp.21-22.

<sup>3</sup> Before attempts at flock improvement began in 1820, sheep in VDL reputedly bore little resemblance to the animals of today. Widowson's 1829 description gives an indication of their appearance. "Their form, as near as possible, is this: a very large head, Roman nose, slouch ears, extremely narrow in the chest, plain narrow shoulders, very high curved back, and a coarse hairy fleece: those bad qualities, with four tremendous long legs, give a faithful representation of the native sheep". Widowson, *Present State of Van Diemen's Land* (1829), p.142.

<sup>4</sup> Much of the earliest experimentation in NSW cloth manufacture centred around flax and, encouraged by Whitehall, samples of such cloth made at Norfolk Island were sent to England in 1791. The first sheep, intended specifically to improve wool quality and yield, had arrived in NSW by 1797, and before the end of the century coarse woollen cloth made from local wool was being produced for convict slop clothing. Abbott & Nairn, *Economic Growth of Australia*, p.257.

The second element aiding the development of woollen manufacture was that of geographic isolation. Isolation encouraged many types of industrial enterprise, often led by a government attempting to redress continual shortages in the most basic of necessities, including cloth. From settlement until the early 1820s, supplies of cloth, for convict clothing in particular, were generally less than requirements. The problems of isolation were further accentuated in Van Diemen's Land where, in 1817, Lieutenant Governor Sorell was reputedly distressed at the hardships being endured by convicts. Many convicts were totally without bedding and jackets, and "in the extreme vicissitude of weather", sickness abounded.<sup>5</sup> Two years later, Sorell commented that the convicts' "destitute state as to clothing is truly lamentable, and I possess no means of relief".<sup>6</sup> Reports made to the Bigge inquiry<sup>7</sup> in 1820 highlighted the continuing severity of the problem. Inspector of Public Works at George Town, C.J. Vandermeulen, told how, "Thirty men at a time [had] been exempt from work on account of their nakedness".<sup>8</sup> Daily faced with such shortages, it is hardly surprising that the first textiles produced in VDL (and similarly on the mainland) came from convict workers and were largely used to meet convict needs.<sup>9</sup> Although convict women first manufactured flax, hemp and wool at Port Dalrymple in northern VDL by 1810, initial experiments proved uneconomical.<sup>10</sup> By 1822 the George Town female

<sup>5</sup> *HRA*, III, ii, Lieut. Governor Sorell, To Governor Macquarie, 8/12/1817, p.289.

<sup>6</sup> *HRA*, III, ii, Lieut. Governor Sorell, To Major Cimitiere, 4/12/1819, p.541.

<sup>7</sup> English born, John Thomas Bigge (1780-1843) arrived in Australia in September 1819 as commissioner of inquiry into the colony of NSW. The inquiry sought to ascertain the effectiveness of transportation as a criminal deterrent, and Bigge was to ensure that transportation was "an object of real terror" and report any "ill considered compassion for convicts". Appealing to Bigge for convict humanitarian improvements was thus unlikely to bear results.

J.M. Bennett, 'Bigge', in *ADB*, vol. 7, pp.99-101.

<sup>8</sup> Unlike Sorell, however, Vandermeulen was convinced that the convicts did "not suffer by exposure", and that they were "now so accustomed to go nearly naked, that they ... feel neither Inconvenience or Disgrace from It". Another examinee admitted that some convicts did grumble about this state of affairs, but that he had "learnt by Information" it was only "the bad characters" that did so.

Examination of Lieut. C.J. Vandermeulen, 14/4/1820, *HRA*, III, iii, p.383; & Examination of John Broadhurst Boothman (Superintendent of Convicts), 15/4/1820, p.400.

<sup>9</sup> VDL's clothing shortages in the late 1810s were no doubt influenced by the general state of the economy. Heavy spending on imports, with not enough counterbalancing exports, saw the colony virtually bankrupt by 1817. Sorell also commented on the "generally distressed state of the settlers" in 1820, a situation which could only have had an adverse impact upon the treatment of convicts.

Abbott & Nairn, *Economic Growth of Australia*, p.347

*HRA*, III, iii, p.56.

<sup>10</sup> *HRA*, III, i, p.766-767.

factory had inmates producing coarse cloth for convicts requirements. The same occurred at Maria Island by 1827.<sup>11</sup>

As a private enterprise, however, the textile industry was sluggish. One of the first proposals to establish a private mill came from Patrick Miller, who failed in his 1820 application for an allotment of land to erect a woollen manufactory about two miles along the Derwent River at the west end of Hobart. Miller's application was again rejected when he appealed Governor Sorell's decision to J.T. Bigge. Authorities alleged that Miller did not have the necessary means to carry out so large an undertaking,<sup>12</sup> even though he had already raised £500 capital and claimed to be capable of making the machinery himself. Authorities' reluctance to assist this venture, even in the midst of chronic shortages, perhaps reflected concerns about encouraging the development of privately owned industries which would compete with Britain's principal industries.

By the mid-nineteenth century Tasmania was firmly established as an exporter of quality wool. This corresponds with evidence of an increasing self-consciousness amongst the Australian population. Henry Reynolds points out that regional loyalties predated the emergence of nationalism in many parts of Australia,<sup>13</sup> and regional pride was certainly invoked to encourage the establishment of industry within Tasmania. Textile manufacture remained the focus. "Is it not a disgrace", asked the *Launceston Examiner* in 1847, "that so young a colony as South Australia should grapple with every difficulty and dare every adventure, while we - a colony of forty years standing - are not able to point to a single important manufacture?"<sup>14</sup> The paper then related how Sir John Eardley-Wilmot<sup>15</sup> had obtained information from NSW regarding the establishment of a coarse cloth manufacture soon after entering government. The subsequent shelving of the idea due to economic and political difficulties was seen as proof that such projects should be private rather than government enterprise. The *Examiner* also provided a substantial list of convicts experienced in textile manufacture to affirm the viability of such a venture. There was, nevertheless, little immediate

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<sup>11</sup> *Hobart Town Gazette*, 16/3/1822; *Colonial Times*, 1/6/1827; & J.R. Morris, 'Early Convict History of Maria Island', *THRAPP*, 1963, vol. 11, pp.157-176.

<sup>12</sup> P. Miller, To J.T. Bigge, 13/10/1820, *HRA*, III, iii, , p.689.

<sup>13</sup> Henry Reynolds, 'Australian Nationalism and Tasmanian Patriotism', *The New Zealand Journal of History*, April 1971, vol. 5, No. 1, p.30.

<sup>14</sup> *Launceston Examiner*, 20/3/1847.

progress. Later that same year a Hobart entrepreneur was importing flax from New Zealand for processing and, reflecting textile trends in Britain, he “employed the children of several poor families in the upper portion of town, preparing, spinning, and winding the material for the loom”.<sup>16</sup> A company aiming to build VDL’s first privately owned textile mill was floated in 1848,<sup>17</sup> but aborted.<sup>18</sup>

By the late 1860s, concerns about unemployment saw the Tasmania government offering financial incentives to promote the development of certain industries. Included was a £1,000 bonus for the first £1,000 sale of Tasmanian manufactured woollen goods.<sup>19</sup> Before the Act received formal consent, the Tasmanian Wool Manufacturing Company was floated in Hobart, with nominal capital of £10,000. In 1871 Peter Bulman also began investigating the possibility of establishing a woollen manufacturing venture in northern Tasmania. Bulman subsequently entered into partnership with an experienced Scottish textile manufacturer to form Bulman, Johnstone and Company. Anticipatory of events nearly 50 years later, skilled operatives and machinery were imported from Scotland to the mill site at Waverley, three miles from Launceston. (For location, see Appendix A.)<sup>20</sup> The manufactory would be known as Waverley Woollen Mills. Thus began the region’s association with an industry which would become the city’s lifeblood for much of the following century. Waverley secured the bonus, and soon established a national reputation for producing quality textile goods.<sup>21</sup> Winning two gold medals at the 1891-1892 Tasmanian International Exhibition,<sup>22</sup> Waverley’s successes also proved Launceston, with its conducive climatic conditions and soft water supply, to be suitable for the manufacture of textiles.

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<sup>15</sup> Eardley-Wilmot was Lieutenant-Governor of VDL between 1843 and 1846. The first civilian to occupy the position, his term in office was plagued by trouble and controversy.

<sup>16</sup> *Hobart Town Courier*, 25/9/1847.

<sup>17</sup> *Colonial Times*, 12/9/1848 & 26/9/1848.

<sup>18</sup> For further background on this period see Linge, *Industrial Awakening: A Geography of Australian Manufacturing* (Canberra, 1979); Abbott & Nairn, *Economic Growth*; & R.M. Hartwell, *The Economic Development of Van Diemen’s Land 1820-1850* (Carlton, 1954).

<sup>19</sup> Bonuses were also offered for the Tasmanian production of sugar, salt, and sacking, but only ‘woollen stuff’ “had any practical results”.

*Hobart Town Gazette*, 1874, p.819; & Linge, *Industrial Awakening*, p.660.

<sup>20</sup> Appendix A provides the location of all Launceston textile mills referred to in this work.

<sup>21</sup> *Cyclopedia of Tasmania, An Historical and Commercial Review*, vol. II (Hobart, 1900), pp.117-8; *Launceston Examiner*, 13/5/1914; & Linge, *Industrial Awakening*, p.660.

<sup>22</sup> *Official Record of the Tasmanian International Exhibition, held at Launceston, 1891-1892*.

The development of an industrial base in late nineteenth century Launceston cannot, however, be credited to the textile industry. This instead resulted from the 1870s mining boom, which was largely organised and financed from Launceston. During this period Launceston flourished and became a city by act of parliament in 1888.<sup>23</sup> Mining wealth financed the city's reconstruction in the late nineteenth and early twentieth centuries, and led to the rise within Launceston of such industries as tin-smelting and foundry work. When the mining boom began to wane early in the twentieth century, other activity took a larger place.<sup>24</sup> While orchards would spring up along the Tamar valley as the main primary industry alternative to mining, the region's dominant secondary industry for decades to come would centre around textile manufacture.<sup>25</sup> One of the early proponents advocating Tasmania's potential as a major textile centre was the Tasmanian Agent General, John McCall.<sup>26</sup> In a paper delivered to the London Royal Colonial Institute in 1909, McCall criticised Victoria's erstwhile propensity to raise tariffs in order to kill any Tasmanian industry with an outlet in their state. He claimed that the woollen industry was the only industry with which this policy had not succeeded, thus proving Tasmania's suitability for textile production.<sup>27</sup> McCall added that Tasmania's three current woollen mills had secured "a veritable gold mine", and held "little doubt that an opening offer[ed] for the investment of capital".<sup>28</sup> He confidently predicted an investment return of at least 10% or higher.

There were those who saw even greater potential for Tasmania's textile trade. By 1909 Sir Edward Hutton (pioneer commander of Australia's army) was already proclaiming the lucrative trade possibilities with China for Tasmania's textile trade.

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<sup>23</sup> John Reynolds, *Launceston: History of an Australian City* (South Melbourne, 1969), p.130.

<sup>24</sup> Beaconsfield was the only major goldfield remaining by 1914, and it collapsed during the first year of the war, at which time the north-eastern tin-fields were also in decline.

<sup>25</sup> For background on period see E.A. Beaver, *Launceston Bank for Savings 1835-1970: A History of Australia's Oldest Savings Bank* (Carlton, 1972); & John Reynolds, *Launceston*; W.A. Townsley, *Tasmania. From Colony to Statehood 1803-1945* (Hobart, 1991).

<sup>26</sup> A north-west coast Tasmanian by birth, Sir John McCall (1860-1919) was a medical practitioner who was also active in local and State government, holding a seat in the Tasmanian House of Assembly on two occasions between 1888 and 1909. It was with his appointment to Tasmanian Agent-General in 1909, however, that the *Mercury* maintained McCall really "found his place". An "enthusiastic spokesman for his State", McCall worked hard to attract capital to Tasmania and is credited with influencing the development of Mount Lyell Mines, Launceston White Lead Works and encouraging hydro-electric power generation. Knighted in 1911, McCall died of pneumonia whilst in office on 27 June, 1919.

Scott Bennett, 'McCall', in *ADB*, vol. 10, pp.208-9.

<sup>27</sup> McCall termed woollen manufacturing as "one of our best partially developed industries".

Hutton believed that once China's 450 million inhabitants were taught the advantages of wool, "that market alone would give an impetus to the trade and prosperity of Australia".<sup>29</sup> Darcy Addison was another who saw export potential for Tasmania's textile industry, this time in the European market. Upon returning to Tasmania in the 1910s from his post at the Agent-General's office, Addison had sent a "bluey" jacket to a mountaineer and scholar, Professor Roget, with whom he had made acquaintance in Switzerland. Roget's enthusiasm for the bluey led Addison to advocate it as a major export.<sup>30</sup> This was particularly encouraging for Launceston's textile development as the bluey was a product of Waverley Woollen Mills. Just as the region's textile industry was taking off in the early 1920s, the bluey again raised hopes of the textile industry's export potential. In 1921, the Commonwealth's first trade commissioner for China, Edward Little, addressed Launceston's business community on "the immense possibilities of reciprocal trade between China and Australia".<sup>31</sup> As proof of his contentions, Little provided an extract from the North China Herald about a Tasmanian made material. While no specifics were given, the President of Launceston's Chamber of Commerce believed that the cloth mentioned as being "the ideal material for China winter wear" was Waverley Woollen Mill's famous bluey.<sup>32</sup>

If one were to believe an English newspaper report in early 1910, however, the future of Tasmania's textile industry was assured even without the "bluey". McCall requested details on a woman identified only as Mrs. Williams of Tasmania, after an article appeared describing her invention of a revolutionary substitute for silk, known as travelite. Synthetics were still in their commercial infancy at this stage. Reputedly made out of leaves from a Tasmanian tree, the material was claimed to be thin, light, untearable, able to take any dye, and so inexpensive that it was cheaper to replace a

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<sup>28</sup> *Journal of the Royal Colonial Institute*, part I, vol. XLI, Dec. 1909, p.23.

<sup>29</sup> Hutton pointed out the "the unfortunate Chinese" presently wore only quilted cotton and silk during their intensely cold winters.

*Journal of the Royal Colonial Institute*, part I, vol. XLI, Dec. 1909, p.23.

<sup>30</sup> Roget was presumably related to the *Thesaurus* founder.

*Mercury*, 5/3/1914 in Simon Harris, 'Selling Tasmania: Boosterism and the Creation of the Tourist State, 1912-28', PhD, 1993, p.36.

<sup>31</sup> 'Trade with China', 22/3/1921: K&K Press Cuttings.

<sup>32</sup> Launceston Chamber of Commerce Annual Meeting (press cutting), 26/9/1921: Minutes 28/10/1915-29/11/1937.

Within a year of the report, the chief inspector of factories, Henry Reynolds, was able to announce that the first shipment of Tasmanian blankets to China would occur in late 1922, a move expected to "be the forerunner of further business".

Seventh Annual Report of the Industrial Department for 1921-22, No. 14, p.32: *Tasmania. Journals and Printed Papers of Parliament, 1922-23*.

soiled dress made out of this material than to wash it.<sup>33</sup> After extensive state-wide inquiries, however, no information on this fantastic new product surfaced.<sup>34</sup>

Negotiations to establish the first twentieth-century northern based woollen mill began around 1908 at the small rural village of Westbury, 35 miles from Launceston. Promoted by a man identified only as Mr. Robinson of Frankford, Westbury's water was tested and a site for the mill selected before difficulties arose in obtaining the necessary capital. As Westbury Council saw it, this was because Robinson "was not the man for the project" and Launceston people "declined to recognise the project", presumably as it was not Launceston-based.<sup>35</sup> Robinson thus proceeded to England to try and float the company, but nothing eventuated. When the Tasmanian press reported rumours in mid-1910 that companies were being formed to establish two Tasmanian woollen mills, one each in the north and south, Westbury pressed its claims. In need of employment opportunities, the Council petitioned the Agent-General, acknowledged as the promoter of these new ventures, as to Westbury's good roads, suitable land close to the railway system, and its ability to offer ample water power from the Meander River. Power was Westbury's trump card. Westbury warden, Daniel Burke, was quick to highlight recent newspaper reports which called into question Launceston's ability to handle the power requirements of such a mill.<sup>36</sup>

So recurred that key issue. Launceston Council had its own power supply. Since 1895 Launceston's main streets had been lit by power from Australia's first hydro-electric scheme, but by the 1910s the city's power supply was reputedly under pressure.<sup>37</sup> With Launceston city's population at just over 20,000 by this time,<sup>38</sup> demands upon the hydro scheme were further increasing with the construction of a new electric tram system. This development saw much public debate as to whether the Launceston Corporation should supplement its existing plant with steam power and a poll was subsequently held on the issue.<sup>39</sup> A drawn-out and emotive debate preceded the poll, and the outcome saw an almost two to one majority against installing a steam

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<sup>33</sup> John McCall, Agent General, To Premier, 18/2/1910: PD1 68/1/10.

<sup>34</sup> Premier Lewis, To McCall, 18/4/1910: PD1 68/1/10.

<sup>35</sup> D. Burke, Warden of Westbury Council, To McCall, 7/7/1910: PD1 119/8/10.

<sup>36</sup> Burke, To McCall, 7/7/1910: PD1 119/8/10.

<sup>37</sup> Lloyd Robson, *A History of Tasmania, Colony and State from 1856 to the 1980s*, vol. II (Melbourne, 1991), p.294.

<sup>38</sup> *Walch's Tasmanian Almanac, 1919* (Hobart, 1919), p.341.

<sup>39</sup> Burke, To McCall, 7/7/1910: PD1 119/8/10.

plant.<sup>40</sup> With cost as the major drawback, opponents claimed the Council was responding to “a temporary and panic expedient to tide over a non-existing difficulty”.<sup>41</sup> While nothing eventuated from the rumoured woollen mill projects, this experience must have stressed to Launceston Council the industrial advantages of connecting to the State power grid when opportunity offered.

The first woollen manufacturing investor subsequently to consider Tasmania was the federal government. Upon hearing in 1912 that federal authorities proposed establishing woollen mills “for the production of wearing apparel in connection with the defence scheme”, the Hon. G.T. Collins, MLC (also President of the Launceston Chamber of Commerce) cabled the Minister of Defence to expound Launceston’s advantages.<sup>42</sup> James Smail, the Scottish expert bought to Australia to manage the proposed new Federal Woollen Mills, was given the job of scrutinising and advising upon locations.<sup>43</sup> Smail visited a number of Tasmania towns and cities in 1912, being met upon arrival in Launceston by the Secretary of the Launceston Chamber of Commerce and consulting with the Chamber’s executive committee on 27 March.<sup>44</sup> A proposal regarding transport, power, water, and raw materials and labour was laid before Smail, as well as the offer of a site at Town Point. Located in a “working class suburb”, the site was appropriately situated to cater for the mill’s labour requirements.<sup>45</sup> After inspecting the site, Smail was impressed with Launceston’s proposal, proclaiming that “the facilities available were all that could be desired” and, though he could make no promises, hoped the representation was successful.<sup>46</sup> When a final decision was reached Launceston came in second place out of the 35 towns and cities considered, losing to Geelong. In his concluding analysis, Smail described conditions in Launceston as “ideal for cloth manufacture” and equal to the previous best in climatic conditions and natural facilities, but felt the city had to take second

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<sup>40</sup> ‘Water Wins’, 9/7/1910: LCC Press Cuttings, 1909-1910.

<sup>41</sup> ‘Vote Against Steam’ (poster), 8/7/1910: LCC Press Cuttings, 1909-1910.

<sup>42</sup> *Examiner*, 18/3/1912: Minutes of Launceston Chamber of Commerce Executive, 12/8/1909-9/2/1917: LMSS 073.

<sup>43</sup> *Examiner*, 18/3/1912 & 25/7/1912: Minutes of Launceston Chamber of Commerce Executive, 12/8/1909-9/2/1917.

<sup>44</sup> Launceston Chamber of Commerce Meeting 26/3/1912: Minutes of the Executive, 12/8/1909-9/2/1917.

<sup>45</sup> Launceston Chamber of Commerce Special Meeting, 28/3/1912: Minutes of the Executive, 12/8/1909-9/2/1917.

<sup>46</sup> Launceston Chamber of Commerce Monthly Meeting 11/4/1912: Minutes, 11/1/1906-26/8/1915.



place to Geelong as far as labour conditions, railways, shipping, and as a centre for distribution.<sup>47</sup>

Locals had their own theory on the decision, however, believing it had been influenced by strong mainland pressure and that the federal government's centralisation policy prevented out-lying centres from getting "a fair deal".<sup>48</sup> It appears that such contentions had validity. The government had, from the outset, declared a preference for placing the mill in "some centre of population",<sup>49</sup> while among reasons listed for Hobart's failure to secure the mill was it not being "central enough" for a government factory.<sup>50</sup> The perception that Launceston had been unfairly dealt with in this instance continued on for many years. When commenting on the quality of Launceston's water supply in 1923, the *Examiner* made reference to the 1912 decision, pointing out that Geelong had to process water to soften it. Alternatively, Launceston's Distillery Creek was described as having the "purest water for the manufacture of the finest woollens ... in Australia".<sup>51</sup> The 1912 loss provided Launceston, and Tasmania generally, with a valuable lesson regarding the attraction of secondary industries. It was not enough for Tasmania merely to match inducements offered on the mainland. Tasmania had to offset its locational disadvantages by providing more attractive incentives than other states. Within a decade the provision of inexpensive hydro-electric power would emerge as Tasmania's main drawcard for secondary industry. More significant than the Smail visit from Launceston's perspective, however, was that 1912 also saw representatives of English based company, Kelsall & Kemp Ltd, visit Australia with the view to establishing a woollen mill.

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<sup>47</sup> *Examiner*, 25/7/1912: Minutes of Launceston Chamber of Commerce Executive, 12/8/1909-9/2/1917.

<sup>48</sup> *Examiner*, 17/3/1920: K&K Press Cuttings.

<sup>49</sup> *Examiner*, 18/3/1912: Minutes of Launceston Chamber of Commerce Executive, 12/8/1909-9/2/1917.

A policy swing toward decentralisation in the 1950s would later benefit Launceston in attracting its third British owned textile company, namely James Nelson. See below, chapter 8.

<sup>50</sup> According to Smail, Hobart had also offered an inferior site to Launceston. Of the other Tasmania towns considered, Devonport had not compared well with Launceston, while Burnie was described comparatively as "quite an impossible place".

*Examiner*, 25/7/1912: Minutes of Launceston Chamber of Commerce Executive, 12/8/1909-9/2/1917. For the official report on this matter see: *Australia. Parliament 1912. Commonwealth Papers presented to Parliament*, Melbourne: Government Printer, vol. 3, pp.211-13.

<sup>51</sup> *Examiner*, 4/11/1922.

## CHAPTER 2

### KELSALL & KEMP (TASMANIA), LIMITED

#### The Company's Origins

The private company of Kelsall & Kemp, Limited was formed just over twenty years before negotiations to establish an Australian mill commenced, although the company's origins date back much further. Henry Kelsall (1791-1869) began business in Rochdale in 1815 as a private trader, a system under which he bought wool and put it out for spinning and weaving, then sold the cloth at the market in an unfinished state. Kelsall was joined in the business by his brother-in-law, William Bartlemore, in 1828, the two men's first mill beginning operations by 1835.<sup>1</sup> The other famous name in the company's title came from George Tawke Kemp, Kelsall's son-in-law, who succeeded William Bartlemore as a partner in 1856. Unsatisfactory financial arrangements after the death of a succeeding partner, led existing arrangements to be dissolved and a private company formed to take over the business' assets. Kelsall and Kemp Ltd was therefore registered in 1890 with a share capital of £100,000, and Robert Slack (grandson of Henry Kelsall) and George Kemp (son of George Tawke Kemp) were appointed directors. The company expanded rapidly between 1904-1914, during which time George Kemp (now Colonel and the executive governing director) was knighted for political services in 1909, and created a baron in 1912, taking the title of Rochdale.<sup>2</sup> It was during this period of the company's expansion that thought was given to the possibility of establishing a branch overseas.

#### Early Negotiations

While information on K&K's earliest negotiations is sketchy, most references to this incident<sup>3</sup> claim that the newly titled Lord Rochdale and another director, Jesse Lord, visited Tasmania in 1912 and selected Hobart as the preferred option for establishing their first mill based outside Britain.<sup>4</sup> Hobart was undoubtedly selected as

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<sup>1</sup> The factory system took longer to become operative in the woollen industry than in the cotton industry.

*Kelsall & Kemp, Ltd. 1815-1965*, p.4: QVM.

<sup>2</sup> *Kelsall & Kemp, Ltd. 1815-1965*, pp.4-16: QVM.

<sup>3</sup> For example see *Kelsall & Kemp, Ltd. 1815-1965* & Morris-Nunn & Tassell, *Industrial Heritage*.

<sup>4</sup> *Mercury* 17/3/1920: K&K Press Cuttings.

the preferred mill site in 1912, but no substantiating evidence was found that either Lord Rochdale or Jesse Lord were in Tasmania (or even Australia). What is certain is that Hobart Council granted concessions for water supply to Sydney based T.B. Wilkinson through his agent James (Jas) Robinson of Yorkshire.<sup>5</sup> Wilkinson was K&K's Australian representative.<sup>6</sup> It appears that the negotiating company was still anonymous at this time. Robinson first met with Hobart Council representatives to discuss water supply for a proposed mill in late March 1912.<sup>7</sup> By mid-April the *Examiner* reported that Robinson had recently passed through Launceston after selecting a site at Hobart to establish woollen mills, "provided other arrangements he [had] in train proved successful".<sup>8</sup> Robinson explained that Hobart had been selected because cheap electrical power would be available when the hydro works were completed. Negotiations over water were not, however, finalised at that point. Robinson explained that many difficulties surrounded such a venture and, for it to be successful, the promoters desired water "for practically nothing". Negotiations over water continued over some months. Hobart Council specified its offer in May,<sup>9</sup> but Robinson was dissatisfied. The Council stood firm, claiming that its offer conceded "everything, and in fact rather more" than Robinson had requested.<sup>10</sup> The two parties had still not agreed on terms by July,<sup>11</sup> at which time correspondence on the issue peters out.

Initial disclosure of the deal with Hobart was subject to much discussion in Launceston's commercial circles, mainly because Launceston's advantages had never been brought to Robinson's attention. Launcestonians believed that they were pre-eminent in the areas of both power and water. In seemingly the first contact between Launceston and K&K, the Chamber of Commerce subsequently endeavoured to contact Robinson and extol Launceston's water and power arrangements. The *Examiner* concluded:

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<sup>5</sup> A.W.C. Johnston, Acting Town Clerk, Hobart, To Wilkinson, 55 York Street, Sydney, 10/10/1917: PD1 179/1/18; & *Examiner* 16/4/1912: LCC Press Cuttings, 1912-14.

<sup>6</sup> A.W.C. Johnston, Acting Town Clerk, Hobart, To Wilkinson, 55 York Street, Sydney, 10/10/1917: PD1 179/1/18.

<sup>7</sup> Town Clerk, To Robinson, 16/3/1912: Hobart City Council Letterbook, MCC 16/17/34, 9/1/1912 - 18/7/1912.

<sup>8</sup> *Examiner* 16/4/1912: LCC Press Cuttings, 1912-14.

<sup>9</sup> Town Clerk, To Robinson, 21/5/1912: Hobart City Council Letterbook, MCC 16/17/34.

<sup>10</sup> Town Clerk, To Robinson, 27/6/1912: Hobart City Council Letterbook, MCC 16/17/34.

<sup>11</sup> Town Clerk, To Robinson, 18/7/1912: Hobart City Council Letterbook, MCC 16/17/34.

It looks as if our power is not sufficiently advertised. What the Hydro-Electric Company is prepared to do in Hobart on completion of its works is made known far and wide, but the cheap rates at which power and water are available in Launceston are not sufficiently known.<sup>12</sup>

These claims demonstrate a heightened awareness of Launceston's need to sell itself if it wished to attract industry. This awareness was no doubt influenced by Launceston being overlooked by the second woollen mill in as many months. The war meant that the immediate future offered few opportunities to rectify this problem. Encouraged by federal policy after the war, however, Launceston Council emerged as an Australian leader in self-promotion.

Meanwhile negotiations between Hobart Council and K&K continued. Lord Rochdale visited Australia in 1914, and corresponded with the State government from his base at the Australian Club in Sydney.<sup>13</sup> An option was subsequently secured over the old Cascades site at Hobart. Previously a prison site used as a reformatory, the company intended to either adapt the existing building or erect new ones.<sup>14</sup> According to the Agent-General, John McCall, the option over the site was actually purchased by Wilkinson rather than the company. With Wilkinson and a number of other Sydney gentlemen "prepared to take an interest in the company",<sup>15</sup> Wilkinson's purchase and services were presumably to be exchanged for share-holdings when the company was floated, and possibly a directorship. Although the war halted progress, K&K began accumulating suitable machinery and fittings for the new mill during this period in anticipation of post-war shortages.<sup>16</sup> Like most textile companies, K&K's war-time production was devoted almost exclusively to domestic government contracts. Demand was, in fact, so great that work and workers were placed out at other firms because the company's Rochdale plant was unable to cope. This practice continued into the early 1920s, as public demand took over from government requirements. These circumstances created an atmosphere conducive to post-war expansion.

K&K's actions throughout the war confirmed their intention to continue with expansion plans after hostilities ceased. When K&K's original water supply agreement with Hobart Council expired on 21 May 1916, the option was renewed on the

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<sup>12</sup> *Examiner* 16/4/1912: LCC Press Cuttings, 1912-14.

<sup>13</sup> Premier A.E. Solomon, To Lord Rochdale, 5/3/1914: PD1 119/4/14.

<sup>14</sup> McCall, To Premier, 5/7/1917: PD1 118/19/17.

<sup>15</sup> Agent-General, To Hon. Jens-August Jensen, Minister for Customs, 1/8/1917: PD1 118/19/17.

<sup>16</sup> *Mercury*, 17/3/1920: K&K Press Cuttings.

understanding that, if operations had not begun within a year, satisfactory proof must be shown of the company's intention to begin within a reasonable time.<sup>17</sup> The Agent General, McCall, also continued to mediate between local, State and federal authorities and the company. In July 1917, for example, Lord Rochdale used McCall to place a number of issues before the Hobart Council. Water supply was still of particular interest. Desirous to know the terms on which not less than 200,000 gallons of suitable water could be provided per day, K&K also wanted permission to discharge their effluent into Hobart's sewers (as done in Rochdale), and guarantees of a minimum of 250 hp from the hydro scheme.<sup>18</sup>

In August 1917 McCall likewise petitioned the federal Customs Minister to admit K&K's machinery into the country duty free as an incentive to establish in Australia, and requested assistance in acquiring permission to introduce skilled foremen.<sup>19</sup> He sought backup from the Tasmanian Premier on these matters,<sup>20</sup> and Lee obliged.<sup>21</sup> The Minister, Jens-August Jensen, responded that certain machinery was already admitted free or at 10%, but machinery not included would be considered upon submission of illustrations and particulars. While admission of migrants was not his area of concern, Jensen had consulted with the relevant department and provided details on how to proceed (an issue developed in chapter 6).<sup>22</sup>

McCall's enthusiasm for the venture was unquestionable. He believed that it would "be a great thing for Tasmania to get such people interested in the woollen trade as they are financially strong and in a position to extend their works to any limit the trade may warrant".<sup>23</sup> McCall also pointed out that, "if we can get such people as Messrs Kelsall & Kemp interested, it might lead to the establishment of many more mills".<sup>24</sup> He was therefore particularly keen for a prompt response from Hobart authorities to the company's inquiries so that he could discuss matters with directors as soon as the information became available.<sup>25</sup> Despite McCall's urging, three months elapsed before Hobart Council provided the Premier (by now, Walter Lee) with the

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<sup>17</sup> Acting Town Clerk, Hobart, To Wilkinson, 10/10/1917: PD1 179/1/18.

<sup>18</sup> McCall, To Premier, 5/7/1917: PD1 118/19/17.

<sup>19</sup> AG, To Hon. Jens-August Jensen, Minister for Customs, 1/8/1917: PD1 118/19/17.

<sup>20</sup> McCall, To Premier, 2/8/1917: PD1 118/19/17.

<sup>21</sup> Premier Lee, To PM, 15/10/1917: PD1 118/19/17.

<sup>22</sup> Jensen, To AG, 14/11/1917: PD1 118/19/17.

<sup>23</sup> McCall, To Premier, 5/7/1917: PD1 118/19/17.

<sup>24</sup> AG, To Hon. Jens-August Jensen, Minister for Customs, 1/8/1917: PD1 118/19/17.

<sup>25</sup> McCall, To Premier, 5/7/1917: PD1 118/19/17.

requested information.<sup>26</sup> The company was told that all water requirements over that obtainable from the Hobart rivulet could be supplied at a maximum of 1s. per thousand gallons, and renewed Wilkinson's option "in respect to certain concessions in connection with water supply".<sup>27</sup> These water charges were apparently at much the same terms as the original 1912 agreement.<sup>28</sup> The Council then refused to comment upon hydro prices, claiming this was "a matter for the Hydro Electric Department", but did permit K&K conditionally to discharge effluent into city sewers.<sup>29</sup>

McCall subsequently informed the Premier that Lord Rochdale was satisfied with everything except Hobart's water charges. Lord Rochdale believed that Hobart's proposal could lead to water costing the "outrageous amount" of £3,000 per annum, and inquired as to whether water and power costs would be similar in Launceston.<sup>30</sup> He therefore requested McCall write to Launceston mayor, Percy Hart, in early 1918 and inquire about power and water prices in that city. Due to Lord Rochdale's dissatisfaction with the prices quoted by Hobart, McCall felt that if water was supplied "at something like a nominal rate" Launceston would probably win out.<sup>31</sup> McCall also explained that it had "further been represented to [Lord Rochdale] that Launceston will probably give more female labour". The most likely person to have made these claims seems to have been leading Hobart businessman, Sir Henry Jones.<sup>32</sup> Jones was the only other individual mentioned in the Agent-General's letter and had declared his

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<sup>26</sup> Acting Town Clerk, Hobart, To Secretary to the Premier, 10/10/1917: PD1 118/19/17.

<sup>27</sup> Butters, To Premier, 15/10/1917: PD1 118/19/17.

<sup>28</sup> Acting Town Clerk, Hobart, To Wilkinson, 10/10/1917: PD1 179/1/18.

<sup>29</sup> Butters, To Premier, 15/10/1917: PD1 118/19/17.

Butters subsequently confirmed to the Premier that the power needs at the Cascades could be met.

Acting Town Clerk, Hobart, To Secretary to Premier, 10/10/1917: PD1 118/19/17.

<sup>30</sup> McCall, To Premier, 8/2/1918: PD1 179/1/18.

<sup>31</sup> Office of the Agent General for Tasmania, To Hart, 8/2/1918: Launceston City Council, Industries - Kelsall & Kemp (1918-1922), 19/4.1.

<sup>32</sup> Hobart born, Sir Henry Jones (1862-1926) began work pasting labels on tins at George Peacock's jam factory aged 12 years. Becoming an expert jam boiler within a few years, Jones was promoted to factory foreman in 1885 and, upon Peacock's retirement, took control of the company, renamed H. Jones & Company, in partnership with two others. This partnership was dissolved in 1902, and a limited liability company was formed the following year, with Jones as managing director, assisted by federal politician and tariff expert, George Edwards, and Alfred Henry Ashbolt. Amidst much public criticism, a confederation of companies known as Henry Jones Co-Operative Ltd was subsequently formed in Melbourne in November 1909. With diverse business interests, Jones was described as "a shrewd investor in promising Tasmanian undertakings", and he was knighted in 1919. While Jones' motivations for promoting Tasmanian industry are questioned within this work, there is no doubt that he placed much effort into the promotion and development of his State, dying during negotiations to attract another company. Jones also quietly provided financial support for many Tasmania organisations.

preference (presumably to Lord Rochdale) for Launceston over Hobart as “the best place for starting this mill”.<sup>33</sup> Jones maintained that Hobart, unlike its northern counterpart, already had so many demands on female labour - first specified was his own jam factory. He had also offered to put “a substantial sum of money” into the mill if it were started in Launceston.<sup>34</sup> Jones would thus benefit from the new scheme, whilst also ensuring no new labour demands were added in Hobart, to the detriment of his existing business. Subsequently rewarded by being made a director of K&K’s new Tasmanian company, in 1922 Jones proclaimed that “he was in a great measure responsible for the Mills being established in Launceston”.<sup>35</sup> Most of the populace remained unaware of the back room deals which influenced the mill’s location. Jones’ role highlights the self interest which motivated some of the promoters who were actively involved in attracting industry, and seeking development of the State and its resources throughout this period.<sup>36</sup> Not long into Jones’ directorial role, for example, K&K (Tas) agreed to loan Sir Henry Jones & Co Ltd of Hobart up to £10,000. It turned out that K&K only had £9,000 available, but the entire amount was lent to Jones’ company for a six month term at bottom of the market rates of 6% p.a. interest.<sup>37</sup> It is also noteworthy that Alfred Ashbolt,<sup>38</sup> a long-time and close business

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John Reynolds, ‘Jones’ in *ADB*, vol. 9, pp.513-4; & Bruce Brown, *I Excel! The Life and Times of Sir Henry Jones* (Hobart, 1991).

<sup>33</sup> Office of the Agent General for Tasmania, To Hart, 8/2/1918: Launceston City Council, 19/4.1.

<sup>34</sup> Jones’ claim also calls into question Tasmania’s repeated assurances to industry during this period about the availability of female labour, without geographical reservation.

<sup>35</sup> Having just been re-elected by shareholders when making this claim, Jones also stated that he would retire any time they wanted to be represented by a Launceston man. He retired early the following year for his own reasons, however, and Carl Stackhouse was appointed in Jones’ place. See below, p.56.

*Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922 & 22/2/1923.

<sup>36</sup> Jones’ involvement with K&K was short-lived. In April 1921 he applied and was granted three months leave of absence from directorial duties to visit South Africa.

*Minutes of K&K Directors’ Meeting*, 22/4/1921.

<sup>37</sup> *K&K Minutes of Directors’ Meetings*, 10/1/1921 & 17/1/1921; See also S.J. Butlin, A.R. Hall & R.C. White, *Australian Banking and Monetary Statistics 1817-1945* (Sydney, 1971), p.494.

<sup>38</sup> Businessman, Sir Alfred Henry Ashbolt (1870-1930) was New Zealand born and educated, passing accountancy exams aged 19. Moving to Tasmania in 1891, he was a book-keeper for Hobart merchants A.G. Webster & Sons, whilst also managing an insurance office and agency for a navigation company. Leaving Webster in 1901 he became a junior partner in Henry Jones’ firm. Ashbolt was involved in the local, national and international growth of what became Henry Jones (Co-operative) Ltd. With many other business interests, his most successful venture was one in which Jones was also heavily involved, the Tongkah Harbour Tin Dredging Company in Thailand. In 1919, the year Ashbolt took over the Agent-General’s office, the Tongkah Company paid dividends of £517,500. Ashbolt was recognised for promoting industrial investment in Tasmania and credited with the establishment of several large branch firms within the State. Returning to Tasmania in 1924 and resuming his active role in business, Ashbolt was knighted in 1925 and, after Jones’ death the

associate of Jones, took over the office of Agent-General in mid-1919 before a final decision on the mill site had been made. While no information on Ashbolt's role in negotiations is available, the Agent-General held an influential position as middle-man in such dealings and Ashbolt was undoubtedly aware of Jones' preference for locating the mill in Launceston. Ashbolt's appointment and K&K's subsequent decision to locate in Launceston may, nevertheless, have been coincidence. Bruce Brown, author of a biography on Jones, points out that Ashbolt and Jones had fallen out over Ashbolt leaving Jones' company to take up the post of Agent-General.<sup>39</sup>

Launceston Council was understandably thrilled that "such an important industry" was considering establishment in their city.<sup>40</sup> After Hart met with the Hon. T. Shields MLC to discuss the matter, the Council subsequently decided to offer K&K every facility. Concessions granted included 200,000 gallons of water per day for three years at no cost and thereafter at 4d. per 1,000 gallons. Additionally offered was 250 hp electricity for an eight hour day at 0.375d. per unit, or 0.25d. per unit for a 24 hour day.<sup>41</sup> Hart responded to news of K&K's interest in Launceston by trying to press Lord Rochdale to make Launceston an immediate and definite offer,<sup>42</sup> although the company was less enthusiastic to commit.

Contrary to Launceston's enthusiasm, Hobart Council was, at first, baffled by Lord Rochdale's interpretation of their water offer and maintained that he was under the wrong impression. During lengthy negotiations with K&K's Australian representative, Wilkinson, and his agent, Robinson, the previous October,<sup>43</sup> the company had been granted all rights to water flow down the Hobart Rivulet at a cost of only £100 per annum. In a dry season the rivulet was estimated to have a minimum flow of at least 500,000 gallons per day, and up to 15,000,000 gallons per day after heavy rain. The 1s. per 1,000 gallons mention by Lord Rochdale applied only to additional water supplied from the city service, and Wilkinson had felt that additional

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following year, was credited as "the undisputed leader of commercial activities in Southern Tasmania" until his death in January 1930.

G.P.R. Chapman & John Reynolds, 'Ashbolt', in *ADB*, vol. 7, pp.107-8.

<sup>39</sup> Private correspondence with author; see also Brown, *I Excel!*

<sup>40</sup> Acting Mayor, Percy Hart, To Hon. T. Shields, MLC, 'Confidential', 17/4/1918: PD1 179/1/18.

<sup>41</sup> A footnote was added that a nominal water charge might need to be applied to comply with Council statutes. Pressure and nature of the power supply would be nominally 5,000 volts, 3 phase, 50 cycles. Acting Mayor, Percy Hart, To Hon. T. Shields, MLC, 'Confidential', 17/4/1918: PD1 179/1/18; & Undated suggested cable; & 'Confidential', Hart, To Hon. T. Shields, MLC, 17/4/1918: Launceston City Council, 19/4.1.

<sup>42</sup> Undated hand-written note from Hart, To Agent-General: Launceston City Council, 19/4.1.



water would be unnecessary.<sup>44</sup> The Council concluded that the mix-up occurred because Wilkinson had, in the interim, died. The information may therefore not have been forwarded to K&K. Claiming that the Council had “endeavoured to meet the Company in every reasonable way”, Hobart’s town clerk told the Premier that they would be “deeply disappointed if through any misunderstanding the mills be established in Launceston instead of [Hobart]”.<sup>45</sup> The Premier subsequently forwarded Launceston’s offer and Hobart’s explanation to the Agent-General and asked that both be placed before Lord Rochdale simultaneously.<sup>46</sup>

For almost a year nothing further eventuated. Hart inquired to the Agent-General about the delay in March 1919. Possibly hoping to jolt the company out of its indecision, Hart related that local demand presently necessitated the importation of woollen goods from New Zealand, and that many items were simply being done without.<sup>47</sup> A firm commitment on the establishment of the mill was finally made in mid-July. After a meeting with Lord Rochdale on 18 July, H.W. Ely (secretary to the Agent-General’s office)<sup>48</sup> and W.M. Williams (Hobart Councillor and State politician)<sup>49</sup> cabled home news that K&K had “definitely decided” to establish in Tasmania.<sup>50</sup> All that was left to determine was location. Hart again initiated contact with the company in September after being informed by the Launceston Council that all future business to do with the mill would be left in his hands.<sup>51</sup> From an influential Launceston family with a history of involvement in progressive activities, Hart was an appropriate man to handle these negotiations.<sup>52</sup>

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<sup>43</sup> Hobart Town Clerk, To Premier, 2/5/1918: PD1 179/1/18.

<sup>44</sup> The current City Engineer declined to give his own estimates on water flow, but used figures calculated by a predecessor in 1901.

Hobart Town Clerk, To Premier, 2/5/1918: PD1 179/1/18.

<sup>45</sup> Hobart Town Clerk, To Premier, 2/5/1918: PD1 179/1/18.

<sup>46</sup> Premier, To AG, 7/5/1918: PD1 179/1/18.

<sup>47</sup> Percy Hart, To McCall, 21/3/1919: Launceston City Council, 19/4.1.

<sup>48</sup> *Walch’s Tasmanian Almanac for 1919* (Hobart, 1919), p.130.

<sup>49</sup> Williams was in London for the 1919 British Conference of Chambers of Commerce.

Scott & Barbara Bennett, *Biographical Register of the Tasmania Parliament 1851-1960* (Canberra, 1980).

<sup>50</sup> Cablegram from Ely, London, 18/7/1919: PD1 179/5/19.

<sup>51</sup> Acting Town Clerk, To W. Miller, President, Chamber of Commerce, 16/9/1919: Launceston City Council, 19/4.1.

<sup>52</sup> In the late nineteen and early twentieth centuries, “Outsiders heard so much of the widely varied activities of the Hart family that for years Launceston was called ‘Hartsville’ by the *Sydney Bulletin* and critical Australian journals”.

John Reynolds, *Launceston: History of an Australian City* (South Melbourne, 1969), p.125.

Word was received in November that a visit by a company representative was imminent,<sup>53</sup> although Launceston still, as yet, had no guarantees. This lack of commitment seemed not to worry some sections of the community and, in late 1919, the Launceston Chamber of Commerce applauded itself for supporting “the movement which had for its aim the erection of additional woollen mills ... in Launceston”.<sup>54</sup> Giving credit where due, the Chamber conceded “It could hardly take any other action, in view of the fact that Mr. Robert Hogarth ... had frequently and on his own initiative pointed out both privately and publicly the desirability of extending this section of the textile industry in Tasmania”. As proprietor of Hogarth and Sons Pty Ltd, better known locally as the previously mentioned Waverley Woollen Mills, Robert Hogarth had spoken for 15 years of Launceston’s advantages for this industry. When K&K subsequently signed a deal with Launceston, Hogarth maintained that the company’s choice proved his contentions correct. He thus took it upon himself “As managing director of the only mill in Launceston” to extend a welcome to the company.<sup>55</sup> Hogarth added that it was gratifying to see an increasing realisation of the quality of Australian output, with demand for Tasmanian goods currently exceeding production.<sup>56</sup> Hogarth’s contributions to promoting the region’s potential were again praised in 1921 upon his election to the presidency of the Associated Chamber of Manufacturers of Australia<sup>57</sup> (he was also described as the “father” of the Tasmanian Chamber).<sup>58</sup> The Chamber believed, “The community [was] indebted greatly to Mr. Robert Hogarth and his broad mindedness in connection with the establishment of the woollen industry”.<sup>59</sup> An important aspect to Hogarth’s “broad mindedness”, however, was that none of Launceston’s textile mills were in direct competition with one another, except in terms of female labour requirements, not then seen as a problem. While K&K and Waverley came closest in similarity of product, both producing blankets and flannel, the types and qualities of their respective ranges varied considerably and they never viewed one

<sup>53</sup> R.C. Roe, K&K Director, To Town Clerk, Launceston, 12/11/1919: Launceston City Council, 19/4.1.

<sup>54</sup> Launceston Chamber of Commerce AGM, 17/12/1919 (press cutting): Minutes 28/10/1915-29/11/1937.

<sup>55</sup> *Daily Telegraph*, 17/3/1920: K&K Press Cuttings.

<sup>56</sup> *Daily Telegraph*, 17/3/1920: K&K Press Cuttings.

<sup>57</sup> Launceston Chamber of Commerce AGM, 26/9/21 (press cutting): Minutes, 28/10/1915-29/11/1937.

<sup>58</sup> *Examiner*, 4/11/1922.

<sup>59</sup> Launceston Chamber of Commerce AGM, 26/9/21 (press cutting): Minutes, 28/10/1915-29/11/1937.

another as competitors. Hogarth was therefore not supporting an industry which threatened his own. The increased focus upon Tasmanian textiles that large companies would attract was more likely to boost Waverley sales.

The Chamber's self-congratulations preceding the arrival in Tasmania of K&K's representatives seem even more premature when one considers the transportation problems plaguing Tasmania during negotiations with, and well into the construction phase of, the two companies under consideration. These problems were persistent and undoubtedly disadvantageous to Tasmania from a business perspective. During the early stages of negotiations with K&K, Tasmania was isolated from the mainland as quarantine restrictions were imposed upon all steamers trading between Melbourne and Launceston in order to stem the influenza virus sweeping the country in 1919. While this was an exceptional event, it must have underlined to potential investors how isolated Tasmania could be, and also reinforced the validity of existing concerns. The commercial danger of such isolation was obvious to local businessmen and the Launceston Chamber of Commerce held a special meeting to discuss the matter in March 1919.<sup>60</sup> Tasmania's transportation problems extended far beyond this exceptional event, with shipping strikes isolating Tasmanian from the mainland becoming only too common in the early 1920s. As the only state unable to utilise other means of transportation to move goods interstate during these interruptions, many Tasmanians demanded their state receive special dispensation during shipping strikes. Perceived federal government inaction against this problem stirred the anger of many locals. The Circular Head Marine Board sought support from the Launceston Mayor during a shipping strike in 1920, for example, aiming to influence every Tasmania federal member of parliament to oppose the Hughes government if communication between Tasmania and the mainland was not restored.<sup>61</sup>

Against this backdrop, local Councils had an uphill battle to convince industrial investors of Tasmania's superiority over mainland states. Launceston Council therefore proceeded to use all available means to expedite the signing of K&K, as well as other industries, within their city. Upon hearing that another British manufacturer intended visiting Hobart in early 1920 (likely the chocolate manufacturer, Cadbury-Fry-

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<sup>60</sup> Special Meeting of Launceston Chamber of Commerce Executive Committee, 18/3/1919: Minutes, 8/3/1917-19/6/1930.

Pascall), the Launceston Chamber of Commerce wrote to the Premier suggesting that the delegates “stay as long as possible in Launceston on their way through”.<sup>62</sup> Launceston was criticised during the 1920s for allowing the city to be merely a transit stage and for making little effort to ensure that visitors spent time and money in Launceston.<sup>63</sup> The Chambers’ action in this case belied such criticism. The wish to detain the “delegates” was presumably meant to give locals a chance to win the representative over before Hobart got a chance.

K&K’s representative, director Reginald Claude Roe,<sup>64</sup> arrived in Tasmania in January 1920. Roe was assisted in these negotiations by the intended company secretary for the new mill, C.W. Danvers Walker. Originally from Launceston, Danvers Walker had spent the past several months at Rochdale learning about “old world mills”.<sup>65</sup> The selection and training of an ex-Launceston resident for this position might have been coincidental, or might imply that the company had already decided upon location. The company would have been aware of the advantages of having a member of a well-connected family in the company’s chosen region to deal with locals during the establishment phase.<sup>66</sup> While Danvers Walker’s employment may have been a win for Launceston, neither Hobart nor Launceston’s chances of acquiring K&K’s new mill would have been helped by public discussion about problems with their respective water supplies when the company’s representatives arrived. Water restrictions had been in place at Hobart for almost a month, and Hobart Council saw the situation as potentially dangerous.<sup>67</sup> The previous month, W.E.

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<sup>61</sup> W.C. Spinks, Secretary, Circular Head Branch of the Tasmanian Farmers’, Stockowners’ & Orchardists’ Association, To Launceston Mayor, 25/12/1920: Launceston City Council, Shipping Strike (1920).

<sup>62</sup> Minutes of Launceston Chamber of Commerce Executive Committee, 27/1/1920: Minutes 8/3/1917-19/6/1930.

<sup>63</sup> See Simon Harris, ‘Selling Tasmania: Boosterism and the Creation of the Tourist State, 1912-1928’, PhD, University of Tasmania, 1993, p.152.

<sup>64</sup> While now British based, Claude Roe came from a prominent Australian family. His recently retired father, Reginald Herber Roe, had long been active in education reform in Queensland, his positions including inspector general of schools, professional adviser to the Minister, and first vice-chancellor at the University of Queensland.

*Daily Telegraph* 17/3/1920: K&K Press Cuttings; & E. Clarke, ‘Roe’, in *ADB*, vol. 11, pp.437-8.

<sup>65</sup> *Examiner* 18/5/1920: K&K Press Cuttings.

<sup>66</sup> Danvers Walker was born at the property of Rostella on the East Tamar. Both sides of his family were amongst the earliest English settlers in the region, and his maternal grandfather, William Turner, was a former Launceston mayor. An old Grammar boy, Danvers Walker finished his educational training in ‘the old country’, was a fellow on the Chartered Institute of Secretaries, and married into ‘a well-known English family’.

*Examiner* 18/5/1920: K&K Press Cuttings.

<sup>67</sup> *Mercury* 20/1/1920 (Reprinted from *The World*).

Shoobridge (a Labor House of Assembly representative who was also dubbed Tasmania's Minister for Water),<sup>68</sup> had claimed that the water troubles experienced in Hobart also prevailed in Launceston and half the townships in Tasmania.<sup>69</sup> By January Launceston Council was expressing "very grave concern" about water supplies during their driest summer since 1914.<sup>70</sup> Also doing little for Tasmania's appeal as an investment location was the occurrence of a shipping strike while K&K's representatives were actually in the State.<sup>71</sup>

Over the next few weeks further negotiations took place between the company and Launceston and Hobart and, by mid-April, a deal was in sight. K&K wanted an agreement signed before Roe returned to England.<sup>72</sup> The two K&K representatives had met with Hobart's mayor, Eccles Snowden, and were informed that the offer made several years ago regarding water supply would stand<sup>73</sup> - presumably a move aimed at settling confusion over this matter. Although water rates had been paramount in negotiations until this point, it appears power charges clinched Launceston's success. Hobart was a client of the government-owned hydro scheme and Hobart Council had repeatedly directed K&K to deal with the Hydro Electric Department as to power rates. The HED had contracted to deliver power to northern Tasmania, but Launceston still operated exclusively from its own power supply in 1920. With the northern connection not yet operational, Launceston apparently felt no obligation to intrastate price parity and simply undercut the south. Although Hobart was aware that K&K was also negotiating with Launceston, a genuine belief existed that the company would still sign with Hobart. Upon learning that the capital city had been passed over, the matter was acrimoniously discussed at a Hobart City Council meeting on 19 March 1920. Rumours circulated that Hobart's mayor or town clerk were "somehow responsible" for K&K's decision not to establish in Hobart,<sup>74</sup> and that the company

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<sup>68</sup> See W.E. Shoobridge, *Tasmania's Water Power. Its Probabilities and Possibilities. How Natural Resources Can Make Industry* (1916).

<sup>69</sup> Letter to the Editor, 'Water Supply', 17/12/1919: LCC Press Cuttings, 9/12/1919-April 1923.

<sup>70</sup> 'The Water Shortage', 16/1/1920: LCC Press Cuttings, 9/12/1919-April 1923.

<sup>71</sup> Representatives of the British Chocolate manufacturing firm, Cadbury, Fry & Pascall were also in Australia at the time looking for a site for their new factory and were temporarily stopped from visiting Tasmania.

E. Collegeshaw, Representative for Cadbury's & Fry's Joint Agency Cadbury Brothers Ltd, To Premier Lee, 13/2/1920: PD1 179/7/20.

<sup>72</sup> Acting Town Clerk, Memo to City Engineer, 17/4/1920: Launceston City Council, 19/4.1.

<sup>73</sup> *Mercury*, 30/3/1920.

<sup>74</sup> *Mercury*, 30/3/1920

may have been using Hobart to negotiate a better deal with Launceston.<sup>75</sup> Many involved in Hobart's negotiations felt duped, and it was not long before hydro-power costs came under attack in the south.

### **The Role of Hydro-Power**

While the hydro-electric extension to northern Tasmania in the early 1920s was a crucial factor in Launceston's ability to attract further industry,<sup>76</sup> reactions to this development were mixed and explain ill-feeling arising from power negotiations. The State government appears to have left Launceston City Council hanging when it came to a commitment on extending the government owned hydro-power scheme to northern Tasmania in 1916-17. Launceston Council stressed the urgency of their position and pushed for a final decision on the power connection to enable alternative arrangements if need be. The government wanted the Council to stay its hand indefinitely, however, and informed them that the only prospect of a northern connection was the unlikely chance of Launceston attracting a large power consumer. Council needs alone were too small to justify expansion.<sup>77</sup> As it turned out the Council was soon negotiating with a large industry likely to meet the government's requirements; a white lead manufacturer. The Department claimed to be pleased about this eventuation and "extremely anxious" to connect Launceston to its Great Lake scheme, but concluded that war-time restrictions meant this would not be possible in the immediate future.<sup>78</sup> In a statement that would not have allayed northern fears about southern partiality, Butters added that the HED already was committed to two large consumers in the Hobart district and was unable to take on more.

While 1916-17 negotiations showed that some within the Launceston Council were keen to connect to the State hydro-power system, final negotiations before a deal was signed in 1919 indicate that not everyone was enthusiastic about this prospect. In early 1919, the sub-committee appointed to consider increasing Launceston's power supply reported that the Council "could develop its own undertakings more

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<sup>75</sup> *Examiner* 30/3/1920: K&K Press Cuttings.

<sup>76</sup> Launceston's promise of a guaranteed future large block of power undoubtedly also increased the city's confidence in making the K&K deal.

<sup>77</sup> W. Coogan, Mayor, To Premier, 30/12/1916: PD1 30/12/1916.

<sup>78</sup> Butters, Chief Engineer and General Manager, HED, To Launceston Mayor, 19/2/1917: PD1 135/5/17. For more detail on the white lead venture, see below, pp.72-73.

advantageously from a departmental viewpoint” for increases in domestic supply.<sup>79</sup> They also acknowledged that the Council would not be able to supply large power blocks and therefore, “for the future welfare of the city”, advised connection with the new State scheme. A conference was subsequently held between Council and State representatives in mid-April, and a tentative agreement to connect to the State owned scheme was reached.<sup>80</sup>

In late 1919 Launceston City Council debated the proposed new power arrangements under which the State Hydro Electric Department was, in the Council’s terminology, “to assume a sort of parental control over municipalities”.<sup>81</sup> While recognising that this was desirable from the Department’s view point, the Council was not entirely happy and showed an unwillingness to conform to new State controls during the early 1920s. One organisation keenly awaiting the completion of the new State power scheme, however, was the Launceston Chamber of Commerce. Recognising the potential for promoting industrial development, Chamber representatives met with J.H. Butters<sup>82</sup> (chief engineer and general manager of the HED) and expressed hope that the Council would accept the Department’s terms. But approval was not unanimous, even within this organisation. As one wearing dual hats of Chamber of Commerce member and Councillor, Percy Hart personally opposed the terms offered to the Council, but claimed he would accept the majority Council decision.<sup>83</sup> The final agreement was signed on 1 December 1919, power supply to commence by the summer of 1923.<sup>84</sup> Presumably it was the difference between the

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<sup>79</sup> Report of sub-committee on Increased Power Supply, 31/1/1919: PD1 135/6/19.

<sup>80</sup> Conference held at Launceston between representatives of State Government and Launceston Corporation (undated): PD1 135/6/19; & *Mercury* 15/4/1919.

<sup>81</sup> R.J. Strike, Memo To Sub-Committee on Increased Power Agreement with Government Hydro-Electric Department, 22/9/1919: Launceston City Council, Hydro Electric Department & Supply of Power, 1918-1921.

<sup>82</sup> English born Sir John Henry Butters (1885-1969) was transferred to Australia in 1909 by his employers Siemens Brothers Dynamo Works Ltd as chief engineer to their Melbourne based Australasian branch. The following year he was consulted by Complex Ores Co. Ltd and its subsidiary the Hydro-Electric Power & Metallurgical Co. Ltd regarding their Tasmanian proposal to produce electricity for processing zinc ore; the State’s first such major scheme. With this company actively beginning operations in August 1911, Butters resigned his existing position and joined the Tasmanian venture as engineer and chief manager in September. Due to financial problems the undertaking was acquired by the State Government, Butters becoming chief engineer and general manager of the new Hydro-Electric Department. For a summary of Butters’ extensive and multifaceted career see G.J.R. Linge, ‘Butters’, in *ADB*, vol. 7, pp.512-4.

<sup>83</sup> Meeting of Launceston Chamber of Commerce Executive Committee, 6/5/1919: Minutes, 8/3/1917-19/6/1930.

<sup>84</sup> Copy of Agreement between Tasmanian Government, HED and Mayor and Aldermen and Citizens of Launceston for Supply of Electrical Energy, 1/12/1919: PD1 135/6/19.

dates of signing and supply which led to subsequent problems. Launceston Council adopted the view that it retained the right to control power supply deals in this interim period. Under pressure from southern interests, the HED attempted to exert its authority.

After Launceston undercut Hobart's power deal with K&K, the HED moved to ensure that Launceston did not do this again. In mid-1920 H.S. Williams made inquiries about establishing a factory near Hobart.<sup>85</sup> As a final decision upon location had not been reached, he was informed by Butters that the same rates would apply for both Launceston and Hobart. Butters then sent a telegram and letter to Launceston Council to ensure they also bore this in mind when interviewing Williams;<sup>86</sup> a move which suggested that Butters did not greatly trust the Launceston Council regarding power rates. Butters' mistrust appeared well founded, as Launceston was slow to heed the message that it could not continue to determine its own power rates irrespective of the HED's wishes. In October 1920, the HED again wrote to the Launceston Council claiming that a possible large scale power consumer had recently "expressed the opinion that he could probably obtain power in Launceston at a lower price than in Hobart".<sup>87</sup> The potential power consumer, A. Sinclere, subsequently confirmed that he had been quoted a cheaper power price by Launceston (or as Butter's phrased it, that a lower offer had been made "by you than we are prepared to consider in Hobart").<sup>88</sup> Butters therefore threatened Launceston Council with implied legal action, by warning they were overlooking clause 20 of their agreement with the HED. The HED tried to point out that an outcome which saw the Department and the Council entering "into any kind of competition for the sale of power" was undesirable. Refuting the HED's claims, Launceston Council affirmed that they had only quoted the same price for power that had been offered to the woollen mills. They also claimed to have never quoted a large scale power consumer at a lower price than that agreed between itself

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<sup>85</sup> J.H. Butters, To H.S. Williams, Hobart, 16/6/1921: Launceston City Council, Hydro Power etc., Enquiries for 1920, 1921.

<sup>86</sup> Butters, To Town Clerk, Telegram No. 121, 18/6/1920; & Butters, To Town Clerk, 18/6/1920: Launceston City Council, Hydro Power etc., Enquiries for 1920, 1921.

<sup>87</sup> HED, To Launceston Town Clerk, 4/10/1920: Launceston City Council, Hydro Power etc., Enquiries for 1920, 1921.

<sup>88</sup> The phrasing of Butters' statement in which the 'we' was interchangeable for his Department and the city of Hobart would have done little to convince Launcestonians that his Department was impartial in regional sympathies.



and Butters' Department,<sup>89</sup> a statement which ignored that the Council and HED had agreed upon very little. The Department had its way, telling Sinclere that Launceston's quote had been based on a misunderstanding, and sent a revised figure. Launceston, it was maintained, had "not fully appreciated the fact that to sell power on such terms must result, in the majority of cases, in a loss".<sup>90</sup> If the HED thought that Launceston Council had now been put in its place, negotiations with P&B would reveal Launceston's continuing dissatisfaction with the restrictions placed upon it. In the meantime, however, Launceston Council's refusal to toe the HED's line assisted it in acquiring a substantial new industry - K&K.

### **A Deal Finalised**

After a deal for power and water was finalised, a site was selected for the mill at the western end of Mayne Street in Invermay.<sup>91</sup> Roe purchased two adjoining blocks, the larger covered over eight acres and was purchased first on 30 April 1920 from Edmund Mozier King for £2,000.<sup>92</sup> A second purchase of approximately one acre was made three days later from Downes James Barnard for £635. This was a high price considering the cost of the first block and suggested that Barnard played upon the company's desire to have this adjoining property.<sup>93</sup> The site was chosen for its close proximity to the river and King's Wharf. On 3 May the company awarded the contract to erect a ferro-concrete woollen mill to Sydney architect, Edward Giles Stone, who was to handle all negotiations connected with the construction of the mill.<sup>94</sup> Stone had recently come from Victoria in connection with the railway workshops at Launceston,<sup>95</sup> and was recognised as "one of the most eminent consulting engineers and concrete specialists in Australia".<sup>96</sup> His appointment promised many advantages for the company, as his connections enabled him to secure machinery and materials otherwise unobtainable, or available only after long delays. His duties included the

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<sup>89</sup> City Treasurer for Acting Town Clerk, To HED, 8/10/1920: Launceston City Council, Hydro Power etc., Inquiries for 1920, 1921.

<sup>90</sup> HED, To Sinclere, 28/10/1920: Launceston City Council, Hydro Power etc., Enquiries for 1920, 1921.

<sup>91</sup> 'Woollen Mill, A Site Selected', undated: K&K Press Cuttings.

<sup>92</sup> Agreement to purchase land from Edmund M. King: Held by P.M. Hart.

<sup>93</sup> Agreement to purchase land for D.J. Barnard: Held by P.M. Hart.

<sup>94</sup> 'Woollen Mill, A Site Selected', undated: K&K Press Cuttings; & Agreement between E.G. Stone & R.C. Roe, 3/5/1920.

<sup>95</sup> 'Woollen Mills, A Site Selected', undated: K&K Press Cuttings.

<sup>96</sup> *Australasian*, 1/1/1921.

preparation and provision of reports, plans and estimates, through to the supervision of construction work, either personally or through his own selected foremen. Stone was also to provide the skilled labour, with all labourers paid for by the company. For his part, Stone would receive a 5% commission on the agreed estimate of £32,570.<sup>97</sup> The estimate was prepared working upon a fixed price for labour and materials, increases in which were not held as Stone's responsibility. Labour rates within the estimate were, however, worked out at current Tasmanian rates plus an additional 1s. per day per head to cover the contingency of a pay increase.<sup>98</sup> While Stone was required to use all means "to expedite the speedy completion" of the works,<sup>99</sup> an agreement which contained so many variables proved to be unwise on K&K's part. With proceedings at this point, Roe returned to London, leaving company secretary, Danvers Walker, to conduct K&K's business.<sup>100</sup>

The new company was registered as Kelsall & Kemp (Tasmania) Limited and had six directors, three each from Britain and Tasmania. The original British contingent consisted of Lord Rochdale (as Chairman), Jesse Lord and Reginald Claude Roe, the three men who had negotiated the company's establishment in the State. The *Australasian* termed the selection of local talent to fill the other half of the directorial positions as "wise", and suggested that it was in some part a reward for those involved with promotion of the industry in Tasmania.<sup>101</sup> The rewarded Tasmanian directors were George Cragg, Sir Henry Jones and Percy Hart. While Jones' and Hart's pertinent efforts have been noted, George Cragg, who was appointed vice-chairman, was praised by the *Australasian* as being unsurpassed in his efforts to promote local industry. This claim was later reiterated by Launceston's mayor, who held that throughout his life, Cragg "contributed in no small measure to the building up of many

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<sup>97</sup> Stone's commission was to be paid quarterly and be based upon the value of the work done during that period. He was further to be compensated up to a maximum of £250 for associated travel and accommodation expenses. If any of his chosen foremen or skilled workmen came from the mainland, they too were to be reimbursed for travelling expenses, as well as any other expenses to which they were entitled under Union rules or as was customary to their trade. If any additional work was required by the company over and above that already agreed upon, Stone would handle these arrangements as well, at an increased commission of 10% of cost.

Agreement between E.G. Stone & R.C. Roe, 3/5/1920: Held by P.M. Hart.

<sup>98</sup> Letter from Stone, To Directors, K&K, c/- Roe, 3/5/1920: Held by P.M. Hart.

Increases in these costs were not considered to be an increase in the estimate, or in Stone's commission, which was probably a wise stipulation considering subsequent cost increases.

Agreement between E.G. Stone & R.C. Roe, 3/5/1920: Held by P.M. Hart.

<sup>99</sup> Agreement between E.G. Stone & R.C. Roe, 3/5/1920: Held by P.M. Hart.

<sup>100</sup> *Australasian* 1/1/1921: K&K Press Cuttings.

<sup>101</sup> *Australasian*, 1/1/1921: K&K Press Cuttings.

of the institutions in our city which we hold most dear".<sup>102</sup> A New Zealander by birth, Cragg had extensive experience in the woollen industry. He was managing director of the Launceston based Tasmanian Woolgrowers' Agency Company, and during the war received Prime Ministerial appointment as chairman of the Tasmanian State Wool Committee. Becoming Tasmania's representative when that organisation was taken over by the federal agency, BAWRA, Cragg served as chairman of the Tasmanian branch of the National Woollselling Brokers' Association, and President of the National Agricultural and Pastoral Society. Described as "a wool enthusiast", Cragg "never tired of telling visitors of the improvement of the Tasmanian fleece".<sup>103</sup> As with the other promoters, Cragg's appointment benefited both his own and the company's interests.<sup>104</sup>

K&K (Tas)'s mill was, at first, to be directed toward the manufacture of flannel. The target was around 10,000 pieces of flannel annually from 180,000 pounds of wool.<sup>105</sup> The venture's success appeared assured, considering K&K Ltd's buoyant position at that time. K&K Ltd had taken a major step forward by floating as a public company in 1919,<sup>106</sup> and in the early 1920s owned several groups of mills in and around Rochdale, had a debenture and share capital of just over £1,000,000,<sup>107</sup> and employed around 1,800 people (reputedly large for this class of manufacturing).<sup>108</sup>

According to the *Examiner*, "public interest and keenness [had] been fully roused" in K&K's Tasmanian mill and, according to those "competent to judge, the venture should lack nothing in the matter of support".<sup>109</sup> On 18 May 1920 Roe had announced that there would be no public issue of shares, but that Tasmanians would be given some opportunity to invest in the new mill as K&K intended to raise a large amount of capital both in Tasmania and on the mainland.<sup>110</sup> The *Australasian* reiterated this point a few months later.<sup>111</sup> K&K's intention was that share capital for the Tasmanian venture would consist of 50,000 £1 preference shares to be offered to

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<sup>102</sup> *Examiner*, 19/10/1934.

<sup>103</sup> *Australasian*, 1/1/1921.

<sup>104</sup> H.J. Gibbney & Ann G. Smith (comps. & eds.), *Biographical Register 1788-1939: Notes from the name index of the Australian Dictionary of Biography* (Canberra, 1987); & *Examiner*, 19/10/1934.

<sup>105</sup> Fifth Annual Report of the Industrial Department for 1919-20, No. 21, p.4: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1920-21.

<sup>106</sup> *Kelsall and Kemp Limited*, p.16: QVM.

<sup>107</sup> 'Woollen Mills, A Site Selected': K&K Press Cuttings.

<sup>108</sup> *Examiner*, 18/5/1920: K&K Press Cuttings.

<sup>109</sup> *Examiner* 18/5/1920: K&K Press Cuttings.

<sup>110</sup> *Examiner*, 18/5/1920: K&K Press Cuttings.

Australians. Of the 100,000 £1 ordinary shares, the parent company would hold 51,000, the English directors 15,000,<sup>112</sup> and the Australian public 34,000.<sup>113</sup> While K&K (Tas), more than its counterpart P&B, would make much ado about being a Tasmania company, in reality local involvement in a financial sense, and therefore in a decision and profit making capacity, was limited. Securing some local capital made good business sense. Even minimal local investment ensured commitment to the venture by the most influential locals - those with money. In a period when the desire for national self-sufficiency encouraged consumer support of domestic industry, local investment also reinforced the perception that this was truly a Tasmanian company. In accordance with the company's intention, George Cragg subsequently announced that 65% of the company's shares had been purchased by London people, with a large proportion of the balance taken up by Australians.<sup>114</sup> Difficulty disposing of this comparatively small local share allotment, however, meant that the percentage of English holdings rose even higher. By mid-1922, 66,000 ordinary shares were held by K&K Rochdale and its directors, only 14,000 by mainland investors and 6,000 by Tasmanians.<sup>115</sup> (For a list of shareholders and summary of share capital as at June 1922, see Appendix B.)

Difficulty disposing of the local shares was one of the first signs that the tide of optimism on which ventures such as K&K (and subsequently P&B) were founded was waning. This became apparent soon after K&K's inception. In December 1920, J. Jordon requested his allotment be reduced from 2,000 to 500 shares "owing to the unsettled conditions of the wool market".<sup>116</sup> The company refused. Jordon was not a one-off case, as J. Davenport previously had a similar request refused and was threatening legal action against K&K if they did not reconsider and cancel his

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<sup>111</sup> *Australasian* 1/1/1921: K&K Press Cuttings.

<sup>112</sup> Of the 66,000 shares held by the parent company and its directors in 1922, 5,000 had been given to promoters "in payment for inception &c". On 5 September 1921, K&K (Tas) and K&K Ltd had signed an agreement whereby the English company transferred to the Tasmanian company, "the benefit of the contract entered into by the English company for the purchase of a site, the erection of buildings, and the services of power, light, and water". K&K also agreed to "procure and lay out the machinery", provide skilled workmen, give "detailed technical information" regarding dyeing, manufacturing and selling, as well as the right to use their existing trade marks.

Agreement between the two firms on setting up in Launceston: Held by P.M. Hart; & Letter attached to inside cover, 13/7/1920 in *Minutes of K&K Directors' Meetings*..

<sup>113</sup> Prospectus of K&K (Tas) Ltd, 21/9/1920, as cited in Forster, *Industrial Development*, p.82.

<sup>114</sup> 'Promotion of Industry, New Woollen Mills', undated: K&K Press Cuttings.

<sup>115</sup> *Minutes of K&K Directors' Meetings*, Third AGM, 24/5/1922.

<sup>116</sup> *Minutes of K&K Directors' Meetings*, 20/12/1920.

allotment. K&K again refused. K&K's difficulty in disposing of its local share allotment continued and, prior to the second AGM, directors discussed the likelihood of placing the remaining 9,813 preference shares and 7,169 ordinary shares. Not wishing to undermine investor confidence, directors concluded that any further "systematic canvassing in the State at present would lead to the impression that shares were being hawked around".<sup>117</sup> At the 1921 AGM directors were still expressing hope that the unallotted shares would be taken up in Tasmania.<sup>118</sup> For the remainder of that decade, however, K&K (Tas) failed to dispose of most of these remaining shares. Undercapitalised, they would struggle financially during this period.<sup>119</sup>

### Construction

Launceston Council's agreement with K&K stipulated that supply of both power and water must commence no later than 31 March 1923. This allowed the company a year to build, a year to install machinery, and another year for contingencies. No one expected anything like this time would be necessary.<sup>120</sup> If they had, the company would probably have had doubts about establishing anywhere in Tasmania. Upon concluding negotiations, Roe maintained it would be possible for the company to commence operations within twelve months. At the same time, the *Daily Telegraph* was discussing a shortage of some building materials due to the shipping strike and other unspecified causes.<sup>121</sup> Such problems during the construction period would distort Roe's time-frame, and the start of production only just met the March 1923 deadline.

With the K&K contract secured, in July 1920 the Chief Inspector for Factories, Henry Reynolds, reported to parliament that building was to begin immediately on a mill which would cover two acres of ground.<sup>122</sup> Difficulties associated with shortages of labour and building materials, and delivery of machinery from England saw Roe's time-table already been pushed back. Reynolds now estimated that operations would begin in around 18 months. This was just the first of many altered deadlines before

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<sup>117</sup> *Minutes of K&K Directors' Meetings*, 13/5/1921.

<sup>118</sup> *Minutes of K&K Directors' Meetings*, Second AGM, 24/5/1921.

<sup>119</sup> Colin Forster, *Industrial Development*, p.82.

<sup>120</sup> Ritchie & Parker, Alfred Green & Co, To Acting Town Clerk, 21/6/1920: Launceston City Council, 19/4.1.

<sup>121</sup> *Daily Telegraph*, 17/3/1920: K&K Press Cuttings.

<sup>122</sup> Fifth Annual Report of the Industrial Department for 1919-20, No. 21, p.4: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1920-21.

production began. Meanwhile, in September 1920, K&K requested that the supply of power be “hastened forward” as it was now required for building purposes.<sup>123</sup> Despite initial optimism, K&K’s construction process was destined to be slow. In 1921 Cragg reported to K&K’s first annual meeting that under “ordinary conditions” the mill would be completed early next year.<sup>124</sup> Unfortunately for the company, they encountered a string of extraordinary conditions throughout the construction process. Only when work was under way did various problems become manifest.

One such area related to local building labourers. Almost from the start directors were unhappy about both the cost and performance of labourers working on the mill site. In June 1921 directors discussed the need to increase labourers wages in accordance with the Builders’ and Painters’ Award, which had come into force on 20 May.<sup>125</sup> The Award called for payment of 18s. per day or 2s. 3d. per hour.<sup>126</sup> When agreements had been made, labourers were being paid 9s. to 10s. per day, carpenters 13s. per day and boys from 3s. to 4s. per day.<sup>127</sup> In defiance of the Award, directors instead decided to offer labourers 14s. per day from that date and left the matter for Stone to arrange.<sup>128</sup> Later in the month the following increases were confirmed:

- 1 leading hand to be paid 19s. 6d. per day for a 44 hour week
- 2 Mixer hands to be paid 18s. per day for a 44 hour week
- 1 Winch hand to be paid 18s. per day for a 44 hour week
- 1 Tackle hand to be paid 18s. per day for a 44 hour week
- 1 Leading Reinforcing hand to be paid 18s. per day for a 44 hour week
- Rest of Labourers to be paid 14s. per day for a 44 hour week
- Reinforcing hands to be paid 48 hours pay for a 44 hour week.<sup>129</sup>

Increasing the wages of a few to the new Award rate was presumably aimed at claiming compliance with the Award. Authorities were not, however, convinced and in July 1921 Stone came to the attention of the Inspector of Factories for paying below Award wages to 14 labourers presently employed by K&K. Compliance was estimated to cost an extra £720.<sup>130</sup> After counsel’s opinion was sought regarding the definition

<sup>123</sup> Danvers Walker, To Town Clerk, 24/9/1920: Launceston City Council, 19/4.1.

<sup>124</sup> ‘Launceston Woollen Mills ... First Annual Meeting Held’, *Daily Telegraph*, 25/5/1921: K&K Press Cuttings.

<sup>125</sup> *Minutes of K&K Directors’ Meetings*, 7/6/1921.

<sup>126</sup> *Minutes of K&K Directors’ Meetings*, 22/7/1921.

<sup>127</sup> *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

<sup>128</sup> Upon Stone’s recommendation foreman N.W. Patterson’s wages were also to be increased to £8 per week, along with an expression of appreciation “of the interest and zeal he showed in his work”.

*Minutes of K&K Directors’ Meetings*, 7/6/1921.

<sup>129</sup> *Minutes of K&K Directors’ Meetings*, 24/6/1921.

<sup>130</sup> *Minutes, K&K Directors’ Meeting*, 22/7/1921.

of what constituted a labourer in the Builders' Award - described by directors as "not a very intelligent instrument" - K&K concluded their labourers were not covered under the determination and were advised not to pay.<sup>131</sup> The company made no future reference to this decision.

Building progress at the mill was also perceived as too slow and it was determined that changes must be implemented if the mill was to be completed "within a reasonable time".<sup>132</sup> The criticism was aimed at Stone, with the problem specified being the unsatisfactory nature of the boys he employed. After visiting the site in July, for example, Hart had noted the boys on steel, sorting and bending were "not attending to their work".<sup>133</sup> The responsible foreman acknowledged that he had experienced difficulty getting reliable boys, but was convinced these were the best that could be procured. Stone responded to such criticism by explaining that "Boy labour [was] usually unsatisfactory to a certain extent but it was the cheapest" and claimed that the mill was progressing as quickly as possible without increasing the number of men employed.<sup>134</sup> A suggestion to dismiss the boys currently employed and replace them with new ones was also not seen as a viable option. Stone claimed that new ones would be no better, and that "in spite of their skylarking you are getting good value for money expended".<sup>135</sup> He suggested that, if the company was unhappy, a decision had to be made to replace the boys with men, or employ extra supervision, both options increasing costs.<sup>136</sup> He cited experience at Cadbury, another of his constructions simultaneously under way in Hobart, where most of the work was done by men at 14s. per day, as that firm was "determined to push on at any reasonable cost".<sup>137</sup> Intended to highlight that K&K was hiring cheaper boy labour and got what it paid for, his claim also showed that men at the Cadbury site were similarly being paid below Award wages. As Stone employed the labour at both sites it is reasonable to assume that nothing was done to enforce either company to comply with the Award. Ignoring the

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<sup>131</sup> *Minutes of K&K Directors' Meetings*, 19/8/1921.

<sup>132</sup> K&K Secretary, To E.G. Stone, 26/9/1921 in *Minutes of K&K Directors' Meetings*.

<sup>133</sup> *Minutes of K&K Directors' Meetings*, 22/7/1921.

<sup>134</sup> Stone, To K&K, 26 & 27/9/1921 in *Minutes of K&K Directors' Meetings*.

As previously mentioned, the contract stipulated that Stone select the labour and the company pay for it. Nevertheless Stone was obviously restricted in the type of labour that he could choose by the amount the company was willing to pay labourers.

<sup>135</sup> Stone, To K&K, 30/9/1921, *Minutes of K&K Directors' Meetings*.

<sup>136</sup> Stone also warned of discontent amongst supervisory staff if allegations implying incompetence on their part continued.

Stone, To K&K, 30/9/1921, *Minutes of K&K Directors' Meetings*.

company's unwillingness to pay higher wages, Reynolds told parliament that K&K's construction was not progressing as quickly as expected. He claimed that skilled labour was difficult to obtain, and the 70 to 80 hands employed on site by July 1921 had taken "some time" to train.<sup>138</sup>

While the surge being experienced in construction work throughout Tasmania at that time boosted the State's economy, it also had drawbacks for newly-arrived industries, as well as for attracting further industry. During the early part of 1921 builders and contractors were having "difficulty securing sufficient numbers of journeymen", due to the many buildings under construction at the time.<sup>139</sup> As far as potential investors were concerned, this situation must have raised questions as to Tasmania's longer term ability to supply labour requirements. If considered in unison with strikes and supply shortages, Tasmania would not have looked a particularly attractive investment location.

The growth spurt leading to building labourer shortages was reputedly short-lived, with the State government claiming in July 1921 that the building trade had slowed. Decreasing metal prices and the associated "recent closure of many mines" had also swelled the numbers in this trade, resulting in the supply of artisans roughly equalling demand:<sup>140</sup> so went the argument, although P&B's subsequent experiences call it into question. While improvements in the building labourer position were positive from K&K's perspective, even if only short-lived, new problems soon arose to take their place.

By the Third AGM in May 1922, directors attempted to address "a certain feeling" amongst shareholders about the slow progress of K&K's construction.<sup>141</sup> Shareholders had expected production to have already commenced, leading directors to explain that "exceptional circumstances" had resulted in the mill not yet being operational. Robert Hogarth requested the original estimate of building costs as

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<sup>137</sup> Stone, To K&K, 30/9/1921, *Minutes of K&K Directors' Meetings*.

<sup>138</sup> Sixth Annual Report of the Industrial Department for 1920-21, No. 17, p.7: *Tasmania, Journals and Printed Papers of Parliament, vol. 1921-22*.

<sup>139</sup> Sixth Annual Report of the Industrial Department for 1920-21, No. 17, p.37: *Tasmania, Journals and Printed Papers of Parliament, vol. 1921-22*.

<sup>140</sup> Sixth Annual Report of the Industrial Department for 1920-21, No. 17, p.37: *Tasmania, Journals and Printed Papers of Parliament, vol. 1921-22*.

This claim implied that new industries such as the textile manufacturers and Cadbury were merely offsetting the downturn in other areas (arguably with worse jobs than the ones they replaced), rather than substantially strengthening the state's economy

<sup>141</sup> 'Commercial, Finance & Trade, K&K (Tas) Ltd', 25/5/1922: K&K Press Cuttings.



compared with the current estimate. The figure had risen from £32,570 to £63,000, although Stone held that he did not agree with this estimate and believed the work would not cost that much.<sup>142</sup> This led one H. McKenzie to inquire whether the company was able to finance the work with the money it presently had, and was informed that the remaining 10s. balance on ordinary shares would be called up before manufacturing commenced, while an additional 50,000 preference shares would be issued. Difficulties selling the existing share issue, let alone more, were not mentioned. The purchase and installation of machinery was also proving expensive and causing delays.<sup>143</sup> In October 1921 Stone had informed directors that he anticipated difficulty acquiring specially skilled labour to assist in installing the machinery, and expected it could take twelve months to erect.<sup>144</sup> Directors admitted that the machinery had been expensive, but felt that it could not have been obtained for less. In an attempt to cut costs, K&K had supplemented some of the “very best” new machinery available with “really high grade second hand machinery”<sup>145</sup> (although they subsequently admitted that the second hand machinery “had not been purchased at the top end of the market”).<sup>146</sup> These cost-cutting measures in machinery were later shown to have hampered the company’s progress throughout the 1920s. Countering criticism of cost blow-outs, directors maintained that K&K Ltd felt sure that K&K (Tas) would “give a good account” of itself compared with other modern mills floated at the same time.

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<sup>142</sup> The original estimate did not include professional fees, whilst the revised estimate did.

*Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

<sup>143</sup> ‘Commercial, Finance & Trade, K&K (Tas) Ltd’, 25/5/1922: K&K Press Cuttings; & *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

K&K’s machinery and its erection had, to date, cost £40,500 and only around half the machinery had yet arrived. Machinery, including installation, was expected to eventually total £54,000. K&K (Tas) had also experienced some difficulties in acquiring its equipment in one piece, presumably increasing costs. In early 1921 K&K Launceston advised Rochdale to start sending machinery directly from England to Launceston to avoid “transshipment” “which causes much damage” - reinforced glass so far arriving in “very bad condition”. Machinery, however, continued to arrive damaged. In June 1921 the mill cabled Rochdale regarding necessary replacement parts due to ongoing damage.

*Minutes of K&K Directors’ Meetings*, 10/1/1921 & 7/6/1921.

<sup>144</sup> *Minutes of K&K Directors’ Meetings*, 4/10/1921.

Considering the on-going difficulties associated with this project, Stone possibly rued the day he agreed to undertake the K&K contract. While relations between Stone and directors were already tense after the labour problems, in April 1922 the Board expressed a lack of faith in Stone by questioning his estimates on cement used in construction, and requesting verification both from the English architect who had drawn up the original plan and from another concrete specialist.

*Minutes of K&K Directors’ Meetings*, 28/4/1922.

<sup>145</sup> *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

<sup>146</sup> *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

The parent company also believed that Australian demand was “a long way from being satisfied”, and expected good results in the long term.<sup>147</sup>

Shareholders were not prepared to let the issue of a cost blow-out drop. Big businessman A.G. Ferrall asked how expenses had spiralled.<sup>148</sup> Stone invoked many factors. He claimed that the original estimate had been made before a site was chosen and had assumed the land would be level, ignoring excavation costs. This statement was not altogether true. Stone’s contract was signed three days after the main block of land was purchased, and he must have been aware of the site, even if his estimate did not allow for excavations. It was additionally explained that costs had been based on wage rates current at the time of the contract, and that rates had increased substantially since then. Although correct, this explanation ignored the company’s refusal to pay award rates,<sup>149</sup> and failed to mention that some leeway had been allowed for wage increases in the original estimate. After the previously mentioned pay increases, one of K&K’s foreman had also commented that “the amount ... estimated for such wages was not being exceeded”.<sup>150</sup> Shareholders were then told how the original plan had been altered. The first was drawn up by an English architect and subsequently fused in with another made by Stone. The building was originally designed in brick, but the company had been convinced that cement was a better option, presumably by Stone, a recognised cement expert. As well as using approximately 600 cubic yards more cement than originally estimated (a total of 4,000 cubic yards), cement had risen from around 20s. a cask to 40s. within a year. This most decisively blew out costs.<sup>151</sup> Roe assured shareholders that tenders to build the mill in brick had been much higher<sup>152</sup> (but the subsequent story suggests that rather they might have been more realistic).

The decision to construct the mill in cement blighted K&K more than any other during this period. Concern over cement supplies at K&K was already being noted in

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<sup>147</sup> *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

<sup>148</sup> *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

<sup>149</sup> Figures cited to shareholders were that labourers wages had increased from between 9s. and 10s. (also claimed to be 9s. and 12s.) to between 14s. and 18s.; carpenters rose from 13s. to £1 per day and boys from 3s. or 4s. to 8s.

*Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

<sup>150</sup> The reference was made specifically in regard to recent wage increases for reinforcement hands.

*Minutes of K&K Directors’ Meetings*, 22/7/1921.

<sup>151</sup> *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922; & ‘New Woollen Mills, Completion in Ten Months’, 20/6/1921: K&K Press Cuttings.

The mill was estimated to use 4,000 cubic yards of concrete, distributed by a sixty foot shaft (along with 200 tons of steel).

<sup>152</sup> *Minutes of K&K Directors’ Meetings*, Third AGM, 24/5/1922.

November 1920,<sup>153</sup> and by the following month Stone began promoting the idea of Tasmania manufacturing its own cement supply. The current national and international scarcity of Portland cement<sup>154</sup> had been further aggravated in Tasmania by shipping strikes.<sup>155</sup> Total Tasmanian requirements were estimated at 90,000 casks p.a.,<sup>156</sup> and Stone's current Tasmanian works alone (which included the railway workshops, K&K and Cadbury)<sup>157</sup> required as much as 40,000 casks of cement. Many Tasmanian works were "absolutely blocked" through inability to acquire Portland cement.<sup>158</sup> With several Tasmanian projects already examined, Stone concluded that Fingal was the best site for the manufacture of cement, as it was the only local area with the three necessary materials - limestone, clay and coal.<sup>159</sup> Stone therefore personally secured an option over the Silkstone Mine, five miles from Fingal and 76 miles from Launceston, as well as over machinery from Melbourne.<sup>160</sup> Supply problems had reached crisis point by early 1921,<sup>161</sup> and yet another shipping strike aggravated matters. In light of Tasmania's current "extraordinary demand" on cement, and with the cost of cement having "practically doubled in the past 12 months", Stone's proposal for Tasmanian self sufficiency in cement gained momentum.

Seeking financial assistance from the government, Stone submitted the Fingal Cement Company's prospectus to the Premier for approval on 11 December 1920.<sup>162</sup> The company had a nominal capital of £70,000 in £1 shares; 48,000 of these were to be offered to the public, and 7,000 to be issued as fully paid to Stone in consideration of his options over leases and machinery and for services rendered, past and future.<sup>163</sup> The Prospectus also claimed that Cadbury-Fry-Pascall and K&K were respectively to

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<sup>153</sup> *Minutes of K&K Directors' Meetings*, 6/11/1920.

<sup>154</sup> 'Fingal Cement Proposition', Letter to the Editor by E.G. Stone, 16/12/1920: K&K Press Cuttings.

<sup>155</sup> 'Cement Still Short', 10/1/1921: K&K Press Cuttings.

<sup>156</sup> 'Cement at Fingal', 13/1/1921: K&K Press Cuttings.

<sup>157</sup> 'Cement Still Short', 10/1/1921: K&K Press Cuttings.

<sup>158</sup> 'Fingal Cement Proposition', Letter to the Editor by E.G. Stone, 16/12/1920: K&K Press Cuttings. Work had been suspended for over a year at the Railway Department's roundhouse at Invermay and the Trevallyn reservoir for the City Council, resulting in continued water shortages for that suburb. 'Cement Still Short', 10/1/1921: K&K Press Cuttings.

<sup>159</sup> 'Fingal Cement Proposition', Letter to the Editor by E.G. Stone, 16/12/1920: K&K Press Cuttings.

<sup>160</sup> 'Cement at Fingal', 13/1/1921: K&K Press Cuttings.

<sup>161</sup> 'Cement Still Short', 10/1/1921: K&K Press Cuttings.

<sup>162</sup> Stone, To Premier Lee, 11/12/1920: PD1 100/5/21.

<sup>163</sup> Prospectus of Reliance, Lime, Cement & Pottery Company Ltd; & Lee, To Stone, 17/12/1920: PD1 100/5/21.

subscribe 5,000 and 2,000 shares.<sup>164</sup> While the government declined to take up shares, a £5,000 government loan was being negotiated on the proviso that Cadbury and K&K took up their share option and that £24,000 was raised from the public.<sup>165</sup> For their involvement, Cadbury, K&K (Tas) and the State government were to each nominate a director. Stone was to act as managing director.<sup>166</sup>

The scheme was publicly launched in Launceston on 12 January 1921. At a meeting attended by some 40 “leading” citizens, Stone sought capital by the end of the month. The meeting was presided over by leading Launceston businessman, G.E. Harrap,<sup>167</sup> who deemed the proposition sound and played upon north/south rivalry when he declared his hope that the industry would stay in the north.<sup>168</sup> Links between self-sufficiency and national pride were also utilised. The Commissioner of Railways had predicted there was no chance of getting supplies from other states, and that Tasmania would be forced to rely predominantly upon Japan and Norway for cement, along with small amounts from England. Within a few days of this meeting the *Examiner* announced the incorporation of The Fingal Cement Company Ltd., with a nominal capital of £100,000. Subscriptions for 80,000 £1 shares were invited immediately.<sup>169</sup>

In late February, however, the government accused the cement company’s Prospectus of misleading the public.<sup>170</sup> Claims of backing from Cadbury and K&K

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<sup>164</sup> Prospectus of Reliance, Lime, Cement & Pottery Company Ltd; & Lee, To Stone, 17/12/1920: PD1 100/5/21.

<sup>165</sup> Stone, To Lee, 11/12/1920; & Lee, To Stone, 17/12/1920: PD1 100/5/21.

<sup>166</sup> Prospectus of Reliance, Lime, Cement & Pottery Company Ltd: PD1 100/5/21.

<sup>167</sup> Launceston Grammar School educated, George Edward Harrap (1856-1937) gained banking experience both locally and interstate before joining his father’s woolbroking, grain and produce business in the late 1880s. Becoming head of Harrap & Sons upon his father’s death in 1893, the company was incorporated in 1924. George had many interests, succeeding his father as vice-consul for Norway and Sweden in 1891, becoming justice of the peace in 1894, having a distinguished career in the Launceston Volunteer Artillery, and acting as president of the Launceston Chamber of Commerce in 1909-1910.

R.A. Ferrall, ‘Harrap’, in *ADB*, vol. 9, pp.207-8.

<sup>168</sup> ‘Cement at Fingal’, 13/1/1921: K&K Press Cuttings.

<sup>169</sup> ‘The Fingal Cement Company Ltd’, 21/1/1921: K&K Press Cuttings.

<sup>170</sup> Lee, To Stone, 25/2/1921: PD1 100/5/21.

Stone seems to have had a propensity for attracting trouble, he and the General Manager of the HED, Butters, being subject to an inquiry by a Government Select Committee over the alleged destruction or removal of certain correspondence in 1923. Stone had a contract with the HED regarding the construction of the Great Lake Dam which was cancelled for unspecified reasons. Related correspondence containing recriminatory statements about Stone and certain HED officials were subsequently destroyed through mutual agreement between Stone and Butters. Eventually cleared on any wrong-doing, the Committee concluded there were no regulations covering correspondence received and suggested a policy change.

were, for example, questionable. K&K directors were only discussing “Stone’s proposition” as late as 10 January 1921. Even then their only commitment was that they “might” consider the proposal if Stone could guarantee cement production within six months. The matter was held over until local directors could attend the public meeting two days later, and even then they could only make a recommendation to Rochdale.<sup>171</sup> K&K’s seriousness about investing in the cement venture was even more doubtful in view of the decision at the same directors’ meeting to approve a loan of up to £10,000 to Sir Henry Jones and Co Ltd, more money than K&K (Tas) had at the time.<sup>172</sup> After attending the public meeting Stackhouse and Danvers Walker concluded that “although sympathising with the movement, it was not likely to benefit [K&K] so as to relieve its needs in the near future”.<sup>173</sup> Jones had then met with Stone, who had been unable to guarantee cement supplies within the six months deadline. K&K (Tas.) did cable Rochdale for advice on this matter, but also began discussing alternative supply sources. It was subsequently revealed that K&K’s Articles of Association precluded them from investing in the cement venture anyway.<sup>174</sup> It was also revealed in February that Cadbury’s had probably never intended investing in the project because, in their words, of “an aversion to Side Shows”.<sup>175</sup> With the cement company floundering, a proposal was floated for its site to move to Launceston.<sup>176</sup> One reason offered for the locational change was that Launceston could provide electricity. At Fingal the company needed to generate its own power.<sup>177</sup> Stone’s self-interest in this venture became apparent when it was disclosed that new plant patented by Stone and in the process of being patented in various countries around the world, was to be installed at the Launceston cement manufactory.<sup>178</sup> The Tasmanian venture would presumably have proved the viability of his plant. While negotiations continued for

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Contract between the HED and Mr. E.G. Stone, Report of Select Committee, 14/8/1923, No. 22, *Tasmania. Journals and Printed Papers of Parliament, 1923-24.*

<sup>171</sup> *K&K Minutes of Directors’ Meetings*, 10/1/1921.

<sup>172</sup> *K&K Minutes of Directors’ Meetings*, 10/1/1921 & 17/1/1921.

Finalisation of the decision to loan Jones’ Co. £9,000, K&K’s entire credit balance, was reached at the next meeting when the cement proposal was also rejected. See above, p.31.

<sup>173</sup> *Minutes of K&K Directors’ Meetings*, 17/1/1921.

<sup>174</sup> Martin & Hobskirk, Solicitors, To Lee, 4/3/1921: PD1 100/5/21.

<sup>175</sup> Stone, To Lee, 26/2/1921: PD1 100/5/21.

<sup>176</sup> Inglis, Cruikshank & Creasy, Public Accountants, To Premier, 6/5/1921: PD1 100/5/21

<sup>177</sup> ‘Fingal Cement, Immediate ... operations’, 23/3/1921: K&K Press Cuttings.

<sup>178</sup> Lee, Minute paper to Minister for Railways, 10/5/1921; & Stone, To Premier, 20/5/1921: PD1 100/5/21.

Stone committed to replace the plant with the ordinary type at his expense if it failed.

some months, the government now declined to advance the company a loan,<sup>179</sup> correspondence on the venture petering out by mid-1921.<sup>180</sup>

Alternative arrangements were therefore necessary to acquire cement for building. In early February 1921 arrangements were made for a large shipment of English cement to arrive in Launceston by April, much of which would be purchased by Launceston City Council and the State government.<sup>181</sup> K&K also received word from the home firm at the end of February that 400 tons of cement was on its way from England.<sup>182</sup> K&K evidently managed to find some supplies before this arrived as, in mid-April, the *Examiner* reported that increased supplies of cement and steel had enabled better progress to be made on K&K's structural work. With a further supply of cement and the first of its machinery expected to arrive from England on a direct steamer before the end of the month,<sup>183</sup> prospects appeared to be looking up for the company. The expected shipments arrived on schedule, one consisting mainly of 1,225 tons of cement, more than half intended for K&K.<sup>184</sup> The other consisted of the mill's first 123 packages of machinery.<sup>185</sup> By mid-1921 all supplies were supposedly on ground, and building was in full swing. K&K's engineering expert, Sam Tuting, and around half the machinery had arrived from Rochdale, the machinery to be installed as floor space became available. The revised completion date was now set at March or April 1922.<sup>186</sup> Problems with cement would, however, continue to hamper progress at K&K. English cement, intended to relieve problems, created more. Three different shades were visible in the imported batch of cement, for example, one showing faulty setting.<sup>187</sup> Cadbury's representatives even wrote to K&K suggesting that their two companies, along with the Railway Commissioner (all Stone's projects), take joint legal

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<sup>179</sup> Premier, To Stone, 2/6/1921: PD1 100/5/21

<sup>180</sup> A cement manufacturing venture, the Tasmanian Cement Proprietary Ltd, was registered in Hobart in September 1922 but fell through; in 1926 the north received a second chance when a British based company, Foundation Ltd, proposed establishing the Beaconsfield Cement Company, although they too decided not to proceed with flotation because the scheme was not financially attractive. PD1 179/6/22 & PD1 179/5/26.

<sup>181</sup> 'English Cement', 1/2/1921: K&K Press Cuttings.

<sup>182</sup> *Minutes of K&K Directors' Meeting*, 28/2/1921.

<sup>183</sup> 'The Woollen Mills', 16/4/1921: K&K Press Cuttings.

<sup>184</sup> 'Overseas vessels for the Tamar', 19/4/1921: K&K Press Cuttings.

"Good" supplies of Australia cement had begun arriving by mid-1921.

*Minutes of K&K Directors' Meetings*, 7/6/1921.

<sup>185</sup> 'Overseas vessels for the Tamar', 19/4/1921: K&K Press Cuttings.

<sup>186</sup> Sixth Annual Report of the Industrial Department for 1920-21, No. 17, p.7: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1921-22.

'Launceston's Woollen Mills ... First AGM Held', *Daily Telegraph*, 25/5/1921: K&K Press Cuttings.

action against the cement supplier.<sup>188</sup> A strike at the Kandos Cement Company's NSW works in February 1922 again saw K&K's supplies running low. On this occasion Stone arranged for the K&K to borrow up to 50 tons of approved British cement from the Tasmania Government railways. This was later to be replaced by approved Kandos cement.<sup>189</sup>

After continual problems, K&K's mill was finally nearing realisation by July 1922. The completion date was now set at the end of September, with progress throughout the past year described as "steady".<sup>190</sup> Almost all machinery had now arrived, along with a number of expert staff. Henry Reynolds predicted that unless "unforeseen circumstances arose" (something no-one involved in the K&K project would by this stage rule out) one series of machines would begin manufacturing by the end of 1922. By November directors were asking Stone when the building could be handed over to the company. The prediction was now the year's end.<sup>191</sup> With directors concerned about overhead expenses, Stone was also asked if he could get rid of some of the hands. By December 1922 the building was "practically" completed, after what Reynolds termed "unavoidable delay".<sup>192</sup>

Preparing for the start of production, directors authorised the purchase of wool from the Brisbane sales between October and December,<sup>193</sup> the first purchases being made by K&K Rochdale's visiting wool buyer.<sup>194</sup> When the Tasmanian Woolgrowers Agency Co Ltd (of which George Cragg was managing director) held its first weekly sales of the season in early December, K&K representatives were also present for the first time and purchased several lots.<sup>195</sup> To address further unspecified problems the

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<sup>187</sup> *Minutes of K&K Directors' Meeting*, 5/8/1921.

<sup>188</sup> *Minutes of K&K Directors' Meeting*, 19/8/1921.

<sup>189</sup> *Minutes of K&K Directors' Meeting*, 17/2/1922.

<sup>190</sup> Seventh Annual Report of the Industrial Department for 1921-22, No. 14, p.8: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1922-23.

<sup>191</sup> *Minutes of K&K Directors' Meeting*, 17/11/1922.

<sup>192</sup> Eighth Annual Report of the Industrial Department, 1922-23, No. 24, p.7: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1923-24.

Although construction was finally nearing an end, Stone's wrangles with K&K were not over. In November he applied for an additional payment of £600 in commission because of increased yardage of cement due to alterations and additions; directors refused to recognise the claim. A compromise was eventually reached, however, with half the disputed amount being paid.

*Minutes of K&K Directors' Meeting*, Special Meeting, 17/11/1922 & 8/2/1923 & 2/3/1923.

<sup>193</sup> *Minutes of K&K Directors' Meeting*, 16/10/1922.

<sup>194</sup> *Minutes of K&K Directors' Meeting*, 1/12/1922.

<sup>195</sup> 'Wool Sales', 2/12/1922: K&K Press Cuttings.

Lord was later reported to have purchased 300 bales of Tasmanian wool totalling £3,500, of which £500 was for the Tasmania mill, the rest going to Rochdale.

parent company again sent out director Jesse Lord in January 1923.<sup>196</sup> K&K's official opening ceremony took place on 13 February 1923 and was described by local newspaper, the *Weekly Courier*, as an incident "of outstanding importance to the history of Launceston".<sup>197</sup> (See illustration No. 10.) According to the *Courier*, however, "the ceremony could hardly have been more unostentatious". Production officially began later that month.<sup>198</sup> Directors subsequently admitted that production had not genuinely commenced until 31 March, the contractual deadline for commencing power and water usage.<sup>199</sup> By April the mill had produced some flannel with the assistance of "a few trained workers".<sup>200</sup> Previously giving notice of his desire to resign from the Board and being asked to delay this decision,<sup>201</sup> Jones tendered his resignation as soon as the mill was under way.<sup>202</sup> He was replaced by local businessman, Carl Stackhouse.<sup>203</sup> George Cragg also resigned soon after.<sup>204</sup>

As K&K was set to begin its working life in Launceston, the class of flannel produced appeared to be in good demand. Nevertheless, the continuing frustration of K&K's construction process had taken a toll on the company's enthusiasm. Complaining that construction had been "a costly job", the company now hoped that the expense would be justified.<sup>205</sup> After the economic promise of the early 1920s, by mid-1923 the wool market was "unsteady", and K&K claimed it was "difficult to see what [was] ahead of them". Although Reynolds predicted that, "given favourable circumstances", the company should be able to run continually once initial teething problems were overcome, teething problems were exacerbated by an economic downturn. This resulted in years passing before K&K (Tas) showed anything like the returns

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*Minutes of K&K Directors' Meeting*, 11/1/1923.

<sup>196</sup> Eighth Annual Report of the Industrial Department, 1922-23, No. 24, p.7: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1923-24; & *Minutes of K&K Directors' Meetings*, 8/2/1923.

Jesse Lord had reputedly accompanied Lord Rochdale on the 1912 visit to Tasmania and was a director of the Tasmanian company.

<sup>197</sup> *Weekly Courier*, 22/2/1923, p.30.

<sup>198</sup> *Weekly Courier*, 22/2/1923; & *Minutes of K&K Directors' Meeting*, 22/2/1923.

<sup>199</sup> Ritchie & Parker, Alfred Green & Co, To Acting Town Clerk, 21/6/1920: Launceston City Council, 19/4.1.

<sup>200</sup> Eighth Annual Report of the Industrial Department, 1922-23, No. 24, p.7: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1923-24.

<sup>201</sup> *Minutes of K&K Directors' Meeting*, 14/11/1922.

<sup>202</sup> *Minutes of K&K Directors' Meeting*, 22/2/1923

<sup>203</sup> *Minutes of K&K Directors' Meeting*, 2/3/1923.

<sup>204</sup> *Minutes of Directors Meetings*, 16/4/1923.

<sup>205</sup> Eighth Annual Report of the Industrial Department, 1922-23, No. 24, p.7: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1923-24.



foreseen when deciding to establish in Launceston. Similar conditions faced Launceston's second British woollen mill to establish in the 1920s.



1. Top left - George Kemp (Lord Rochdale)



The Tasmanian directors of K&K (Tas)

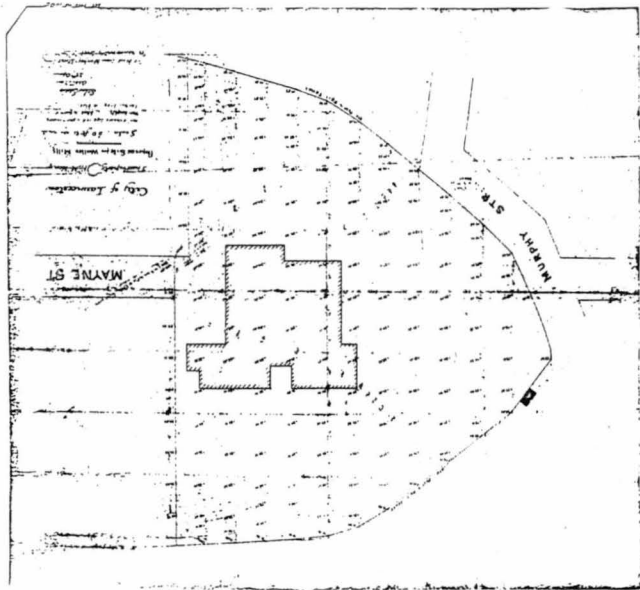
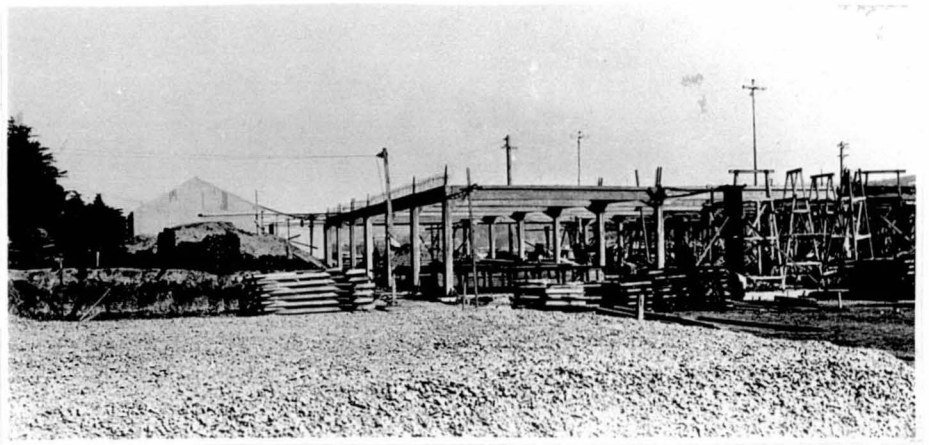
2. Top right - Percy Hart

3. Bottom left - Sir Henry Jones

4. Bottom right - George Cragg



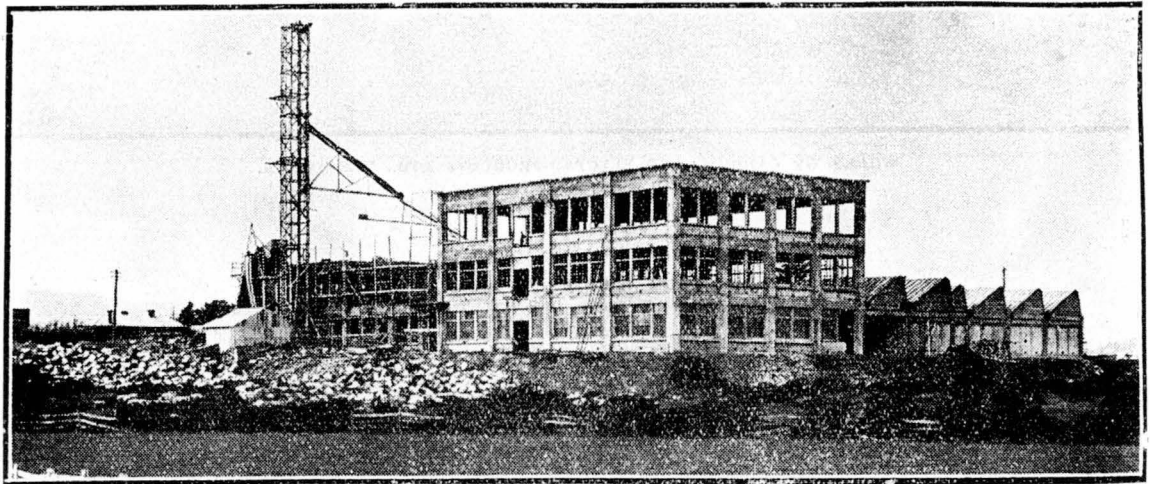
5. Top right - Early stages of construction at K&K (Tas)'s new mill, 28 February 1921



6. Left - The Council plan of K&K (Tas)'s mill site (shown upside down), allows easy identification in the aerial view below.

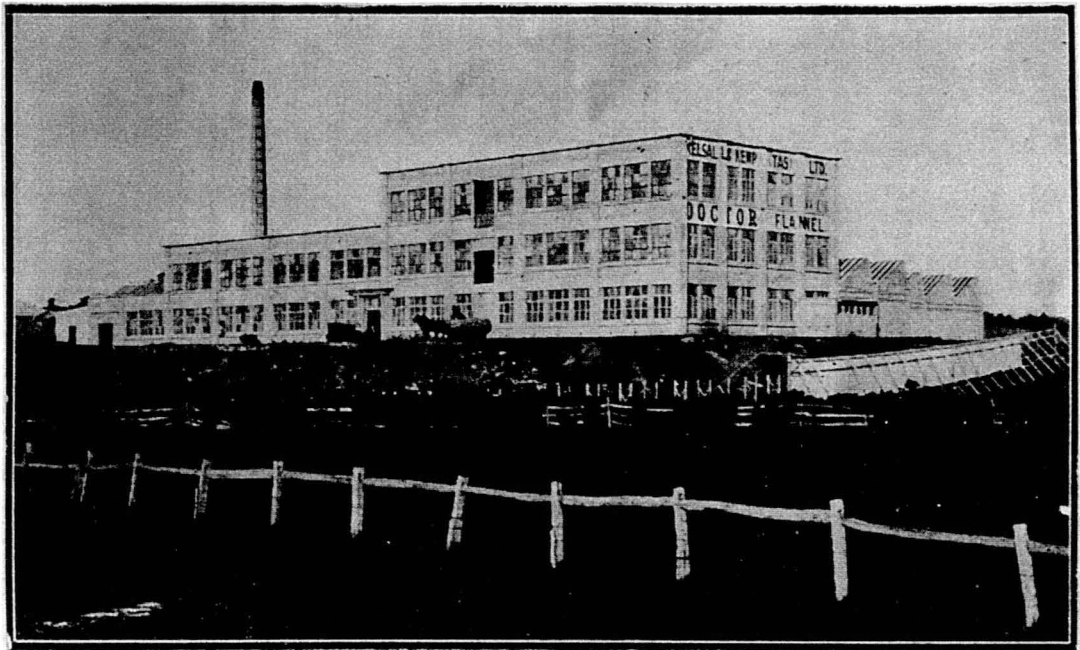
7. Below - Circa 1922. Launceston city is in the background, and K&K's mill site is on the left. The tower used to off-load cement around the building site is visible, and can be seen with greater clarity in illustration No. 8.





8. Above - Building progress at the K&K site, 1922.

9. Below - The completed mill, circa 1923-24. Note the racks used for drying on the right side of the photograph.



10. Above - A small group gathers for K&K (Tas)'s opening ceremony on 13 February 1923. Mrs. Percy Hart switches on the electricity.



## CHAPTER 3

### PATONS & BALDWIN LIMITED, LAUNCESTON

#### The Company's Origins

At the same time that Kelsall & Kemp's representative, R.C. Roe, finalised an agreement to establish a new woollen mill in Launceston, two British woollen manufacturing competitors were negotiating amalgamation. The ramifications of this deal would be even more important to Launceston than the one in which the Council was presently involved. The amalgamation of the two companies, John Paton, Sons & Company, Ltd and J. & J. Baldwin and Partners, Ltd to form Patons & Baldwins, Ltd came into effect on 16th April 1920<sup>1</sup> and created the "largest spinning and weaving firm in the world".<sup>2</sup> The company had mills at Halifax (base of the head office), as well as at Alloa, Wakefield, Leicester, Melton Mowbray and Holmfirth.<sup>3</sup> With a share capital of £5,000,000 Stg (five times that of K&K Ltd), P&B Ltd employed 5,000 hands.<sup>4</sup> Like K&K, both of the newly amalgamated companies had long histories in their own right dating back to the earliest days of Britain's industrial revolution. The Baldwin side of the partnership was commenced by James Baldwin, who began wool washing and fulling at Matt Shovel Yard in Northgate, Halifax in 1785. Before long, carding and spinning was added to these operations, and James also took his son into the business.<sup>5</sup> Early the next century the Baldwins moved to a mill at Clark Bridge, remaining at that site for nearly 150 years.<sup>6</sup> At the end of the nineteenth century the firm united with a number of similar and complementary companies to become J. & J. Baldwin and Partners Ltd, its title at the time of the 1920 amalgamation.<sup>7</sup> The Paton

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<sup>1</sup> Memorandum & Articles of Association of P&B Ltd: Held by CP.

<sup>2</sup> 'Land Wanted', *Daily Telegraph*, 4/7/1921: K&K Press Cuttings.

<sup>3</sup> *Examiner*, 26/1/1924, p.5.

<sup>4</sup> 'Land Wanted', *Daily Telegraph*, 4/7/1921: K&K Press Cuttings.

<sup>5</sup> John Baldwin was Halifax's first Mayor, an office also held by his grandson exactly 50 years later.

'History Issued by P&B, Ltd. (Publicity Department)': Held by CP.

<sup>6</sup> The machinery at Clark Bridge Mills stopped for good in March 1951 when production was transferred to the company's giant new factory at Darlington.

'History Issued by P&B, Ltd. (Publicity Department)': Held by CP.

<sup>7</sup> These companies included, R.H. Barker & Co. and Isaac Briggs & Sons of Wakefield (worsted spinners); Whitmore's of Leicester; Rust's of Melton Mowbray; Forster & Clay of Sowerby Bridge (also worsted spinners who had strong connections in the hosiery manufacturing trade which was fast developing and making fortunes for Leicester men); and Wood & Burtt, Holmfirth (specialists in woollen spinning, through whom a big business in rug wool was made possible).

business started in Trafalgar year, 1805, when John Paton began wool dying and spinning in the Clackmannanshire town of Alloa, Scotland.<sup>8</sup> In a move replicated on the other side of the globe over a century later, John Paton found it necessary to import skilled operatives from England to teach Scottish locals in the art of textile production.<sup>9</sup> Forming a company in 1814, John subsequently took his youngest son, Alexander, into the partnership, the company then becoming John Paton & Son. After John's death in 1848, Alexander's brother-in-law and nephew also joined the business, from 1873 entitled John Paton, Son & Co.<sup>10</sup> The respective companies expanded their markets throughout the world. The hand-knitting yarns of both the Patons' and Baldwins' companies were pre-eminent in Australia when negotiations to establish here commenced in the early 1920s.<sup>11</sup>

### Initiating Negotiations

In September 1920 Percy Hart, who had handled Launceston Council's negotiations with K&K, initiated contact with an unidentified textile firm known to be considering a venture in Australia. Correspondence was directed to a company representative in Melbourne. Citing K&K's recent decision to establish in Launceston as proof of the city's advantages, Hart claimed that he had no self-interest in approaching the company as he was retired from business.<sup>12</sup> In fact Hart was a director of K&K and still had many other irons in the fire around Launceston. He spent great time and energy promoting his home city, but could still hope for such rewards as the K&K's directorship. By April 1921 John Reid, Frederick Wright and William Stewart,<sup>13</sup> representatives of the now identified Patons & Baldwins Ltd, were in Tasmania and negotiating with the Launceston Council. Reid and Wright were

<sup>7</sup> 'History Issued by P&B, Ltd. (Publicity Department)': Held by CP.

<sup>8</sup> 'History Issued by P&B, Ltd. (Publicity Department)': Held by CP.

<sup>9</sup> *The Romance of Patons Yarn*.

<sup>10</sup> 'History Issued by P&B, Ltd. (Publicity Department)': Held by CP.

In the 1890s both the relatives involved, Forrester and Thomson, added the hyphenated title of Paton to their name by deed-poll, so as to maintain the family name within the company. Forrester-Patons and Thomson-Patons still held roles of authority in P&B in the period under review in this work.

<sup>11</sup> *Walch's Tasmanian Almanac*, 1957, p.183.

<sup>12</sup> Percy Hart, To H.D. Flanigan, Spencer St., Melbourne, 16/9/1920: Launceston City Council, Patons & Baldwins, 19/6.1.

<sup>13</sup> Reid and Wright were with the Alloa branch of the company, while Stewart (who would later become the Launceston branch's first general manager) was from the company's Australasian distributing warehouse in Melbourne. Reid and Wright were appointed to act as Attorneys representing P&B Ltd in November 1921.

P&B Notarial Certificate, 18/11/1921: Launceston City Council, 11.6.

directors of the English company. Stewart was manager of P&B (Australasia) Ltd, the company's distributing warehouse in Melbourne. Amongst other concessions, electricity was offered to the company at 0.75d. per unit,<sup>14</sup> an offer which received a very negative response. Wright was "greatly disappointed" at the proposed power rate, aware that it was double the price given to K&K only a year before. Wright concluded that, "with power practically the same in Tasmania as on the mainland, the advantages of being near our headquarters and where the bulk of our customers are established, [would] make it more advantageous to begin in Australia".<sup>15</sup> He intended to advise the board accordingly should the company decided to go ahead with a new branch, implying the matter was not yet finalised. A later reference indicates that the decision lay wholly with Wright and Reid and that no recommendation to England was required.<sup>16</sup>

Hobart's mayor also met with Reid and Wright during their visit. As with K&K, the Cascades' site was again under negotiation and water supply continued to be an important issue. An unspecified Australian syndicate held the option over certain water rights at the site and, with the syndicate wishing to renew its option, Hobart Council pushed P&B for a commitment. Proclaiming themselves "very anxious to afford ... every inducement", the Council requested an early reply on whether "there were any possibility of ... coming to Hobart".<sup>17</sup> If so, they asked P&B to consider "making an offer to the Council for the rights to the concessions referred to". There is no indication that P&B replied to the Council's correspondence. Hobart's approach to the P&B negotiations appears to have been flawed. As seen in negotiations with K&K, water concessions offered by both Councils were comparable and would have done little by themselves to induce a company to establish. The main discussions with Launceston Council had revolved around power charges, and it was this issue which most interested P&B, but the Hobart corporation had no capacity to determine these.

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<sup>14</sup> Acting Town Clerk, To P&B (Australasia) Ltd, 20/4/21: Launceston City Council 19/6.1.

<sup>15</sup> Presumably by 'Australia', Wright was referring to the mainland. K&K's electricity rate had been at 0.375d.

Wright, To Acting Town Clerk, 25/4/1921: Launceston City Council 19/6.1.

<sup>16</sup> Strike, Memo to Acting Town Clerk, 6/6/1921: Launceston City Council, 19/6.1:

<sup>17</sup> Hobart Town Clerk, To P&B, 230 Flinders Lane, Melbourne, 3/5/1921: Hobart Town Clerk's Letterbooks, MCC 16/7/60, 23/3/21-16/6/21, AOT.

## The Role of Hydro-Power

Some Hobart residents recognised the point at issue. The *Mercury* accused Hobart City Council of losing thousands of pounds a year because it was “too slow”, and asserted that the Council had to charge a high power rate because it was supine before the HED.<sup>18</sup> The paper maintained that power arrangements needed to be placed on a firm basis since, when the transmission line to Launceston was completed, both Launceston and Hobart would have the same power. Asking whether one city would compete against the other, the *Mercury* wanted to know whether there was an agreement on the terms under which power could be sold. It gave the hypothetical example of a company considering both cities, and asked whether the HED could or would undersell Hobart for Launceston? Claiming it was advisable to set one rate and no cut-throat intra-state competition be entered into, the *Mercury* called for the need for a definite understanding on this point. Memories of the K&K deal and the current negotiations with P&B would certainly have influenced such debate.

Under pressure from the south, the HED and P&B regarding power deals, Launceston Council tried to explain to Patons & Baldwins’ representatives that K&K’s price was arranged some years ago and conditions had altered in the interim.<sup>19</sup> After the problems between Launceston Council and the HED over K&K’s hydro deal, the Council had consulted the HED to determine an offer for P&B. Following P&B’s response, however, the Council informed the Department that they agreed with the company that proposed charges “might be considered high when compared with the advantages of establishing on the mainland”.<sup>20</sup> Questioning the HED’s decision and requesting a revision, the Council also warned that if the company’s statement on power prices was correct, Council claims regarding Tasmania’s advantages for industrial development would be negated. John Butters (general manager of the HED) responded that the proposed rate could not “possibly be considered high”, and was undoubtedly less than the cost of producing power on the mainland.<sup>21</sup> Believing that any further reduction would result in a “severe loss”, Butters deduced that P&B were just “endeavouring to beat you down”. Supporting Butters’ conclusion, P&B contacted the Launceston Council a couple of weeks later claiming they were

<sup>18</sup> ‘Electric Power’, 26/4/1921: K&K Press Cuttings.

<sup>19</sup> Acting Town Clerk, To P&B (Australasia) Ltd, 10/5/1921: Launceston City Council, 19/6.1.

<sup>20</sup> Acting Town Clerk, To Butters, 10/5/21: Launceston City Council, 19/6.1.

<sup>21</sup> Hydro-Electric Department, To Acting Town Clerk, 12/5/1921: Launceston City Council, 19/6.1.



“inclined” to select Launceston for their spinning mill if electricity could be provided at 0.375d.<sup>22</sup> Encouraged by this statement, the Council sent the city electrical engineer, R.J. Strike, to Melbourne to further negotiate with P&B.<sup>23</sup> With other cities also bidding to attract the new mill, Strike suggested that if Butters (who was in Melbourne at the time) and P&B could get together then perhaps an agreement could be reached. Although this appeared to be a step forward in the relationship between the Council and the HED, P&B seemed confident that the Council would over-ride HED directives on pricing. P&B representative, Wright, consequently requested that Strike report immediately to the Council and that a special meeting be held on the power deal. Acknowledging the Council’s obligations to the HED, Strike pointed out that even if the Council were to approve, it would be necessary to consult with Butters.<sup>24</sup> At this point the price of electricity was the only sticking point for the company signing a deal with Launceston.

P&B continued to invoke the Council’s deal with K&K. For its part, Council sought to avoid offering the same rates to P&B as it had to K&K on the grounds that the latter deal had pre-dated its 1919 agreement with the HED, and that new rules now prevailed. P&B rejected this explanation, pointing out that the final agreement had only been signed about 12 months ago. P&B also suggested that they looked upon K&K “as competitors in a sense”.<sup>25</sup> This claim stretched credibility. P&B and K&K produced totally different products for different markets. A more credible bargaining tool was that Launceston had ground to make before it began negotiations. P&B already had a base in Melbourne, through P&B (Australasia) Ltd, the company formed to act as Australasian distributor for P&B Ltd’s British manufactured goods.<sup>26</sup> Unless Launceston could offer much, there were obvious benefits in choosing a Victorian town. P&B also added that one such town had offered them ten acres free, and they had been quoted the same price for power as in Tasmania, with “the possibility of something lower”.<sup>27</sup> As P&B was no doubt aware, it would have been almost impossible for the Council to verify such claims. The Council did manage to convince

<sup>22</sup> P&B, Telegram to Town Clerk, 27/5/1921: Launceston City Council, 19/6.1

<sup>23</sup> Acting Town Clerk, To P&B (Australasia) Ltd, 1/6/1921: Launceston City Council, 19/6.1.

<sup>24</sup> Strike, City Engineer, Memo to Acting Town Clerk, 6/6/1921: Launceston City Council, 19/6.1.

<sup>25</sup> Strike, Memo to Acting Town Clerk, 6/6/1921: Launceston City Council, 19/6.1:

<sup>26</sup> When Launceston mill commenced production it took over all yarn production for the region and P&B (Australasia) acted as distributor.  
*P&B Ltd.*, Fifteenth AGM, 18/7/1934.

Butters to lower Launceston's power offer to 0.625d., 0.125d. less than the previous offer, but P&B again refused.

By this stage the disputed amount was only about £350 per annum. While not wanting to lose the deal, the Council recognised the potential dangers of having the rate further reduced. They recognised it was "likely to be used by other possible power inquiries as a precedent in the same way as these people have used Kelsall & Kemp".<sup>28</sup> The HED's message may have gotten home. The Council therefore discussed alternate concessions to counteract the price difference, whilst still maintaining the higher figure in the power agreement.<sup>29</sup> Another problem not broadcast was the timing of the proposed power deal, which cut things fine as far as Launceston's ability to supply the required power. Assurances were sought that the company's needs could be met and that the current hydro dam and connecting line to Launceston would be completed for the summer of 1923.<sup>30</sup> This time-table was met, as in mid-1923 the HED was proclaiming that the delivery of continuous power to Launceston and the north by November would "herald in a new industrial era" to the region.<sup>31</sup> When in full working order P&B was to use 500 hp, or one sixth of the Council's power block from the State scheme. As such, the *Examiner* maintained that P&B was "relieving the citizens [of Launceston] of a Big responsibility".<sup>32</sup> While the specific concessions which finally sealed the deal between the Council and P&B are unclear, an agreement was reached by mid-1921.<sup>33</sup> P&B would, however, long be unhappy with the differential power rates charged to K&K and themselves. When P&B's power contract came due for

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<sup>27</sup> Strike, Memo to Acting Town Clerk, 6/6/1921: Launceston City Council, 19/6.1.

<sup>28</sup> Strike, Memo to Acting Town Clerk, 9/6/1921: Launceston City Council, 19/6.1.

It may have been the realisation that power from the State scheme was essential for Launceston to attract new industry which finally led the Council to accept the HED's authority on such matters.

<sup>29</sup> These included rate concessions, as well as making an end of year adjustment from one account to another to let the company off the debated amount.

<sup>30</sup> Strike, Memo to Acting Town Clerk, 9/6/1921: Launceston City Council, 19/6.1.

<sup>31</sup> HED Report for 1921-22, No. 22: *Tasmania. Journals and Printed Papers of Parliament, 1922-23.*

<sup>32</sup> P&B, along with a number of other large Launceston concerns, were supplied at this time with higher pressure than the rest of Launceston, the Council being still undecided in early 1924 as to whether such a system should be extended over the entire city. The Council also provided P&B with its own special main from the Cataract Hill Substation to the mill gate, with a pressure capacity of 6,600 volts. P&B then had its own substation from which the power was taken over by them and distributed throughout the mill.

*Examiner*, 26/1/1924.

<sup>33</sup> Telegram to Town Clerk, 14/6/1921: Launceston City Council, 19/6.1.

renewal in 1930, P&B's general manager again noted the inequity that K&K's power arrangement was for 21 years at approximately half P&B's rate.<sup>34</sup>

### Securing a Site

With the power and water deal between P&B and the Council subject to a suitable site being found,<sup>35</sup> arrangements for land purchase proved even more protracted. Despite the lengths to which the company had gone to procure a satisfactory power deal, at this point the company claimed it was still wavering between Tasmania and the mainland as its preferred mill site. P&B initially advertised through their solicitors for a suitable property and, after receiving many offers, announced that a decision was imminent.<sup>36</sup> Nevertheless, P&B's subsequent actions suggest they were unhappy with the private offers, and that P&B's indecision was likely an attempt to ensure assistance from local authorities in securing a suitable site. With the validity of the existing contract subject to a site being found, authorities were keen to oblige. In July 1921 the company was therefore informed that the government and Council would make a site at Glen Dhu available.<sup>37</sup> The three most suitable areas available were a ten-acre Recreation Reserve, a 16 acre Glen Dhu House property, and a soldier settlement area. While there were problems with the immediate release of any of these properties, the first of the above mentioned sites was initially offered to P&B for the price of £2,000.<sup>38</sup> Subsequent negotiations were drawn out, but a deal for the third property, the Repatriation Department block, was eventually finalised between late July and early August. Containing two plots facing Glen Dhu Street, the selected site was around ten and three-quarter acres, and had only recently been requisitioned by the War Services Homes Commission for soldiers' homes. Although prospects had not initially looked encouraging for its release, all obstacles were eventually removed.<sup>39</sup> The Minister for Repatriation had been assured that the land's release would "not prejudice returned soldiers"<sup>40</sup> and the Commonwealth government had ascertained that ex-servicemen representatives held no objection to giving up the site. It was then

<sup>34</sup> J.B. White, To ARP, 23/10/1930: Alloo Outward Correspondence, 1930-39.

<sup>35</sup> Telegram to Town Clerk, 14/6/1921: Launceston City Council, 19/6.1.

<sup>36</sup> 'Spinning Mill', in Mill History File: Held by CP.

<sup>37</sup> Hart, To Hogarth, Scott's Hotel, Melbourne, 11/7/1921: Launceston City Council, 19/6.1.

<sup>38</sup> Acting Town Clerk, To Shields & Heritage, 19/7/1921; Acting Town Clerk, To the Premier, 20/7/1921; & J.H. Russell, To A.W. Monds: Launceston City Council, 19/6.1.

See correspondence dated between July and August 1921: Launceston City Council, 19/6.1.

<sup>39</sup> *Examiner*, 5/8/1921: K&K Press Cuttings.

decided that acquiring the mill was “of sufficient public importance” to warrant the plots’ release.<sup>41</sup>

The Council felt that difficulties releasing suitable land for sale had jeopardised the deal, and subsequently requested that the State owned Glen Dhu House property be sold to the Council to ensure a similar situation did not arise again.<sup>42</sup> Yet when an offer to sell the requested land was made to the Council in September 1921,<sup>43</sup> no answer was forthcoming. Over a year later the State reiterated its offer after another buyer made inquiries about the land in question.<sup>44</sup> This time the offer was taken up.<sup>45</sup> P&B appear to be the other party. A month after the Council’s deal with the State government, P&B contacted the Council about purchasing land near the mill to build 12 workmen’s cottages and a hostel. They suggested that the newly purchased Glen Dhu site would be “most suitable”.<sup>46</sup> As was probably the case when P&B requested assistance to acquire its original mill site, P&B were seeking to counter “extortionate” prices requested for privately owned property in the district.<sup>47</sup> This was not just a case of locals taking advantage of outsiders, however, as Waverley Woollen Mills was suffering similar problems at this time. As part of an extensive expansion program under way at Waverley, its proprietor, Robert Hogarth, had undertaken to build a new dam to increase the company’s water supply. A deal had been agreed upon to flood part of an adjoining property at £20 per acre, and construction had begun. With the dam two-thirds completed, the neighbours informed Hogarth that the land was now £200 per acre. Hogarth simply refused to proceed.<sup>48</sup>

The Council decided not to sell P&B the requested property due to the “park-like features of the land”.<sup>49</sup> They instead offered all or part of the existing Glen Dhu Reserve, with the Housing Estate to become the new reserve (although one would

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<sup>40</sup> Mayor Monds, Telegram to Minister for Repatriation, 23/7/1921: Launceston City Council, 19/6.1.

<sup>41</sup> *Examiner*, 5/8/1921: K&K Press Cuttings.

<sup>42</sup> Acting Town Clerk, To Chief Secretary, 6/8/1921: Launceston City Council, 19/6.1.

<sup>43</sup> Secretary Public Works, To Town Clerk, 29/9/1921: Launceston City Council, 19/6.1.

<sup>44</sup> Minister for Works, Hobart, To Mayor, 31/10/1922: Launceston City Council, Land & Properties General (1922-23)

<sup>45</sup> Mayor, To Minister for Works, 8/11/1922: Launceston City Council, Land & Properties General (1922-23).

<sup>46</sup> Stewart, To Mayor, 15/12/1922: Launceston City Council, Land & Properties General (1922-23).

<sup>47</sup> Mayor, To Premier, 26/1/1923: Launceston City Council, Land & Properties General (1922-23).

<sup>48</sup> Jack Hogarth (Robert’s grandson) claimed that, because of Robert’s stance, the company went short of water every summer after.

Jim Marwood, *Ways of Working*, (Kenthurst, 1986), p.106.

Talk by Bob Hogarth to Industrial Heritage Group, 11/6/1996: Tape held author.

<sup>49</sup> Premier, To Mayor, 26/1/1923: Launceston City Council, Land & Properties General (1922-23).

assume that the existing reserve itself had park-like features). Although subject to approval from England, P&B Launceston were enthusiastic about the alternative proposal and asked that the deal be finalised quickly since the housing was required for the arrival of their British staff.<sup>50</sup> Nothing progressed as smoothly as either side liked, however, as the land could not be transferred until a Bill passed Parliament.<sup>51</sup> These were the same problems encountered when the company was looking for its original site, and made the Council's inaction in acquiring the land when first offered difficult to understand. Two months after the initial agreement the company was still urging the transfer of the Reserve. The company's main buildings were almost completed and they believed that if the new work did not proceed "almost immediately", allowing them to retain their present bricklayers, securing more would be very difficult.<sup>52</sup> Finalisation on this land deal came in mid-April 1923, when the company thanked the Council for the trouble it had gone to on their behalf.<sup>53</sup>

### **A Deal Finalised**

A willingness to express good-will smoothed tensions created during negotiations, and the company also saw fit to thank the Council after the initial wranglings over power costs were finalised. Reid and Wright had proclaimed their indebtedness to the mayor and aldermen regarding conditions granted for water and power, claiming these were "as reasonable as could be hoped for".<sup>54</sup> This ignored the company's discontent at the difference in power and water rates charged itself and K&K. They also thanked Senator J.H. Keating (who had helped with federal government negotiations), and Robert Hogarth, along with "other public minded citizens" for the "cordiality" with which these people had sought to advance the company's plans. Although Percy Hart had handled early negotiations between the Council and P&B, he was not specifically mentioned. Subsequent events show that P&B harboured some resentment towards Hart, despite his own contention that P&B

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<sup>50</sup> Martin & Hobskirk, Shields & Heritage, To Acting Town Clerk, 25/1/1923: Launceston City Council, Land & Properties General (1922-23).

<sup>51</sup> Secretary of Public Works, To Mayor, 9/2/1923: Launceston City Council, Land & Properties General (1922-23).

<sup>52</sup> Acting Town Clerk, To Premier, 28/3/1923: Launceston City Council, Land & Properties General (1922-23).

This suggested that building labour shortages continued beyond mid-1922, despite Reynolds' earlier claims to the contrary.

<sup>53</sup> P&B, To Mayor, 18/4/1923: Launceston City Council, Land & Properties General (1922-23).

<sup>54</sup> *Examiner*, 5/8/1921: K&K Press Cuttings.

were well pleased with the work he had done in helping them secure “excellent contracts”.<sup>55</sup> The Launceston Chamber of Commerce heralded the attraction of P&B as “a very big feather in Launceston’s cap, the company having made Australia wide inquiries before choosing Launceston as their base.”<sup>56</sup> With the new factory to be significantly larger than K&K, the local papers were quick to highlight P&B’s “standing and reputation” and saw the new mill as “an enterprise of Commonwealth importance”.<sup>57</sup>

P&B Launceston’s intended product was to be yarns for hand and machine knitting, as well as hosiery yarns for manufacturers of knitted goods.<sup>58</sup> Prior to the war no companies had manufactured yarns for the weaving or knitting industries “except where they themselves were engaged upon, or interested in companies carrying on, that class of work”.<sup>59</sup> P&B denied it would compete with any established knitting firm in Australia, and proposed instead to cater for such establishments by manufacturing knitting wools and weaving worsteds. It was estimated the mill would employ between 400 and 500 people, 80% of whom would be girls.<sup>60</sup>

After settling upon a Launceston based mill, it was necessary for P&B to appoint a number of people to represent their interests in Tasmania. Launceston accountant, Gordon Creasy, was appointed as the company’s Tasmanian agent in March 1922, a necessary requirement under the Companies’ Act.<sup>61</sup> With tenders advertised Australia wide, the *Examiner* felt “particularly proud” that practically all construction work was being carried out by Launceston people.<sup>62</sup> The Launceston architectural firm, A. North, Richards & Heyward, was awarded the contract to draw

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<sup>55</sup> P. Hart, To Managing Director, Wolsey Ltd, Leicester, 2/10/1941: Launceston City Council, Industries General (1939-1945), 23/1.9.

<sup>56</sup> Launceston Chamber of Commerce AGM 26/9/1921 (press cutting): Minutes, 28/10/1915-29/11/1937.

<sup>57</sup> ‘The Woollen Spinning Mill’, 5/8/1921: K&K Press Cuttings.

<sup>58</sup> Seventh Annual Report of the Industrial Department 1921-22, No. 14, p.8: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1922-23.

<sup>59</sup> During the 1920s the specialised manufacture of yarns developed into a major activity of woollen mills, aided by the rapid growth of the knitting and hosiery trades. Quality as well as quantity increased, manufacturers turning to make worsted and cashmere yarns. Forster, *Industrial Development*, p.80.

<sup>60</sup> ‘Land Wanted’, *Daily Telegraph*, 4/7/1921: K&K Press Cuttings.

Seventh Annual Report of the Industrial Department, 1921-22, No. 14, p.8: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1922-23.

<sup>61</sup> P&B Ltd, To Gordon Leonard Creasy Esq. (copy), Appointment of Agent in Tasmania for the Purposes of the Tasmanian Companies Act, 7/3/1922: Held by CP.

<sup>62</sup> *Examiner*, 27/5/1922.

up the mill's plans,<sup>63</sup> while Launceston firm, Salisbury's Foundry Co. Pty Ltd undertook to prepare, fabricate and deliver iron and steel for the building.<sup>64</sup> The construction contract went to local building firm, Hinman, Wright and Manser, Ltd,<sup>65</sup> a decision likely influenced by their recent reconstruction of Waverley Woollen Mills.<sup>66</sup> One of the P&B's employees later recalled that the speed of P&B's construction was "a credit to the builders", particularly as they had none of the benefits of modern plant. Even concrete had to be mixed by hand on a concrete board.<sup>67</sup> In a much wiser move than that made by K&K, P&B had specified that the contractor would receive £88,986 all-inclusive to complete his contractual obligations on or before 25 July 1923. Penalty clauses existed for late completion and bonuses for early completion. The contract also stipulated that work had to commence within ten days of the date of signing.<sup>68</sup> Although a considerable demand, this was met.

### Construction

While K&K's new mill was utilitarian, P&B heeded aesthetics. All bricks required approval, a major undertaking as the building used one and three-quarter million bricks, with those facing the external walls along Thistle and Glen Dhu Streets being picked for colour.<sup>69</sup> Along with the problems already related regarding cement

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<sup>63</sup> Specification of Spinning Mills, Launceston, Tas. for Messrs. P&B Ltd - A. North, Richards & Heyward, Architects, Launceston: Held by CP.

<sup>64</sup> Copy Agreement to Fabricated Iron and Steel Works, 26/7/1922, Salisbury's Foundry Proprietary Limited with P&B Ltd: Held by CP.

To give an idea of the scope of this job, the sawtooth roofing, if placed one bay end to end, would extend for over a mile. Construction of the mill also used 60,000 sq. ft. of glass, and at least a mile of drains.

*Examiner*, 27/5/1922.

<sup>65</sup> Hinman, Wright and Manser were timber merchants and builders based in Cimitiere Street, Launceston. A. Hinman and Jas. Wright originally took over the business of J.T. Farmillo (builder of the Albert Hall) in 1903, A.H. Manser joining them the following year. Incorporated in 1911 and registered as a proprietary company in 1921, the firm's other major constructions included the racecourse grandstand at Mowbray, Launceston High School, the Infectious Diseases Hospital and additions to the Children's Hospital, Harrap & Sons' Wool Store, the Tramway Depot and the Railway Roundhouse.

*The Cyclopaedia of Tasmania: An Historical and Commercial Review of Tasmania* (Hobart, 1931), p.326.

<sup>66</sup> Waverley Mills were almost totally rebuilt by this firm over a two year period at the start of the 1920s, during which time only three working days were lost. Construction had taken place around Waverley Mills' normal operations, the *Examiner* hailing the building contractors' effort on the Waverley project as a tribute to their work.

*Examiner*, 4/11/1922.

<sup>67</sup> Handwritten notes in a letter by 'Bill', To A.B. Stirling, 20/11/1968: Held by CP.

<sup>68</sup> Agreement made on 22/3/1922 between Hinman, Wright & Manser, Ltd. of Launceston on part of P&B, Ltd. of Launceston: Held by CP.

<sup>69</sup> *Examiner*, 27/5/1922 & 26/1/1924.

shortages, the building spurt in the early 1920s also saw a “big scarcity of bricks in Launceston and Hobart”.<sup>70</sup> P&B were reputedly leaning towards concrete as their main building material when tenders were called,<sup>71</sup> although tenders for construction were initially invited in a combination of brick, concrete and steel.<sup>72</sup> Alf Hutton, owner of a brick making operation at Sandhill, subsequently conducted tests to convince the company of the strength of his bricks, and presumably of his ability to supply their needs, and won the contract.<sup>73</sup> With Hutton’s brickyards situated only a quarter of a mile from the mill site,<sup>74</sup> P&B avoided many of K&K’s supply problems. Ironically K&K’s original plan had been in brick and they had been convinced of the benefits of concrete, which had duly delayed and increased the cost of their construction process. Although P&B used only a limited amount of concrete for walling and foundations,<sup>75</sup> they still found it necessary to bring in two shipments of cement from England.<sup>76</sup> In total, P&B used 5,500 casks of cement.<sup>77</sup> Floors were constructed using a mixture of cement and wood (which still added up to a lot of cement considering that floor space was 207,000 sq. ft.), and the mill was also built on a single level. This required substantial excavation work and a 14,000 cubic feet run of concrete retaining wall.<sup>78</sup>

Work began on P&B’s mill site on 29 March 1922,<sup>79</sup> only 25 days after the purchase of the main site was announced, although some months after the original pact was signed. Recognition of the desire to encourage consumption of local products probably influenced the company to declare its intention to draw upon Australian and, as far as possible, Tasmanian, products for building purposes (some of which were considered “very suitable”).<sup>80</sup> In contrast to the labour wranglings at K&K, by April

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Agreement made on 22/3/1922 between Hinman, Wright & Manser, Ltd. of Launceston on part of P&B, Ltd. of Launceston.

<sup>70</sup> *Examiner*, 26/1/1924

<sup>71</sup> Hodgkinson, *Sandhill Story*, p.12.

<sup>72</sup> ‘The Spinning Mill, English Firm’s Proposal’, 8/4/1969 (1921 press cutting), Mill History File: Held by CP.

<sup>73</sup> Hodgkinson, *Sandhill Story*, p.12.

Hutton met the massive demand by working overtime

<sup>74</sup> *Examiner*, 26/1/1924.

<sup>75</sup> *Examiner*, 27/5/1922.

<sup>76</sup> *Examiner*, 26/1/1924.

<sup>77</sup> 4,000 yards of metal was also used in the cement work.

*Examiner*, 26/1/1924.

<sup>78</sup> *Examiner*, 26/1/1924.

<sup>79</sup> Hodgkinson, *Sandhill Story*, p.12a

<sup>80</sup> *Examiner*, 5/8/1921.



over 100 hundred men (not boys) were engaged at P&B's mill site.<sup>81</sup> In addition, 21 horses, and two teams of eight bullock each drawing ploughs, were excavating the foundations and basements;<sup>82</sup> 10,000 cubic yards of earth had already been shifted, and 250,000 bricks were on site. Work was aided by "almost faultless" weather conditions.<sup>83</sup> By May contractors had completed excavations and fillings, a large part of the foundations had been readied, and much of the brickwork built, all within only eight weeks. Covering four and a half acres of ground, the new mill was "the largest single building erected in Tasmania certainly the largest under one contract".<sup>84</sup> It was also claimed to be "one of the most economical industrial buildings ever erected in Tasmania", although the company was quick to add that "No rubbishy building expedients had been resorted to".<sup>85</sup>

By mid-1922 Henry Reynolds informed parliament that progress at P&B was "splendid".<sup>86</sup> Already the wool-washing, carding, combing and dyeing departments were ready for their steel work, the first three expected to be the first departments to start operations (running day and night shifts). Construction of the wool warehouse had also begun, and machinery was on order and expected within three months. P&B's proprietors were "highly satisfied" with progress, and production was expected to commence in less than 12 months<sup>87</sup> - a prediction almost realised. The construction contract had stipulated July 1923 as the completion date, and by early that month completion of the buildings was only weeks away. Most of the machinery had also been installed and a few frames were being given "a trial run". The mill was expected to be in full running order by December.<sup>88</sup> The first machines became operational in August 1923, and, right on schedule, P&B made their first outward delivery of goods on 20 December.<sup>89</sup> The first bulk deliveries to Melbourne, base of the factory's

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<sup>81</sup> 'Work on New Mill Site', 21/4/1922: K&K Press Cuttings; *Examiner*, 26/1/1924.

<sup>82</sup> 'Work on New Mill Site', 21/4/1922: K&K Press Cuttings.

<sup>83</sup> 'Work on New Mill Site', 21/4/1922: K&K Press Cuttings; & *Examiner*, 26/1/1924.

<sup>84</sup> *Examiner*, 27/5/1922.

<sup>85</sup> *Examiner*, 27/5/1922.

<sup>86</sup> Seventh Annual Report of the Industrial Department 1921-22, No. 14, p.8: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1922-23.

<sup>87</sup> Seventh Annual Report of the Industrial Department 1921-22, No. 14, p.8: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1922-23.

<sup>88</sup> Eighth Annual Report of the Industrial Department 1922-2, No. 24, p.7: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1923-24.

<sup>89</sup> Hodgkinson, *Sandhill Story*, p.12b.

distributor, were expected the following month.<sup>90</sup> The atmosphere surrounding P&B's start of production contrasted markedly with the loss of enthusiasm noted at K&K by the end of their construction phase. In early 1924 the *Examiner* proclaimed that P&B's "standard [was] high, their reputation substantial, their resources almost unlimited, and their enthusiasm and confidence keen".<sup>91</sup> "The inventive genius of the British race" was also seen to be "strikingly reflected ... in every detail" of P&B's new mill. The differing confidence levels at both mills would prove to be justified by results achieved during the first years of production in Launceston.

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<sup>90</sup> ARP, To P&B Alloa, 7/12/1923: P&B Correspondence, 1923-24.

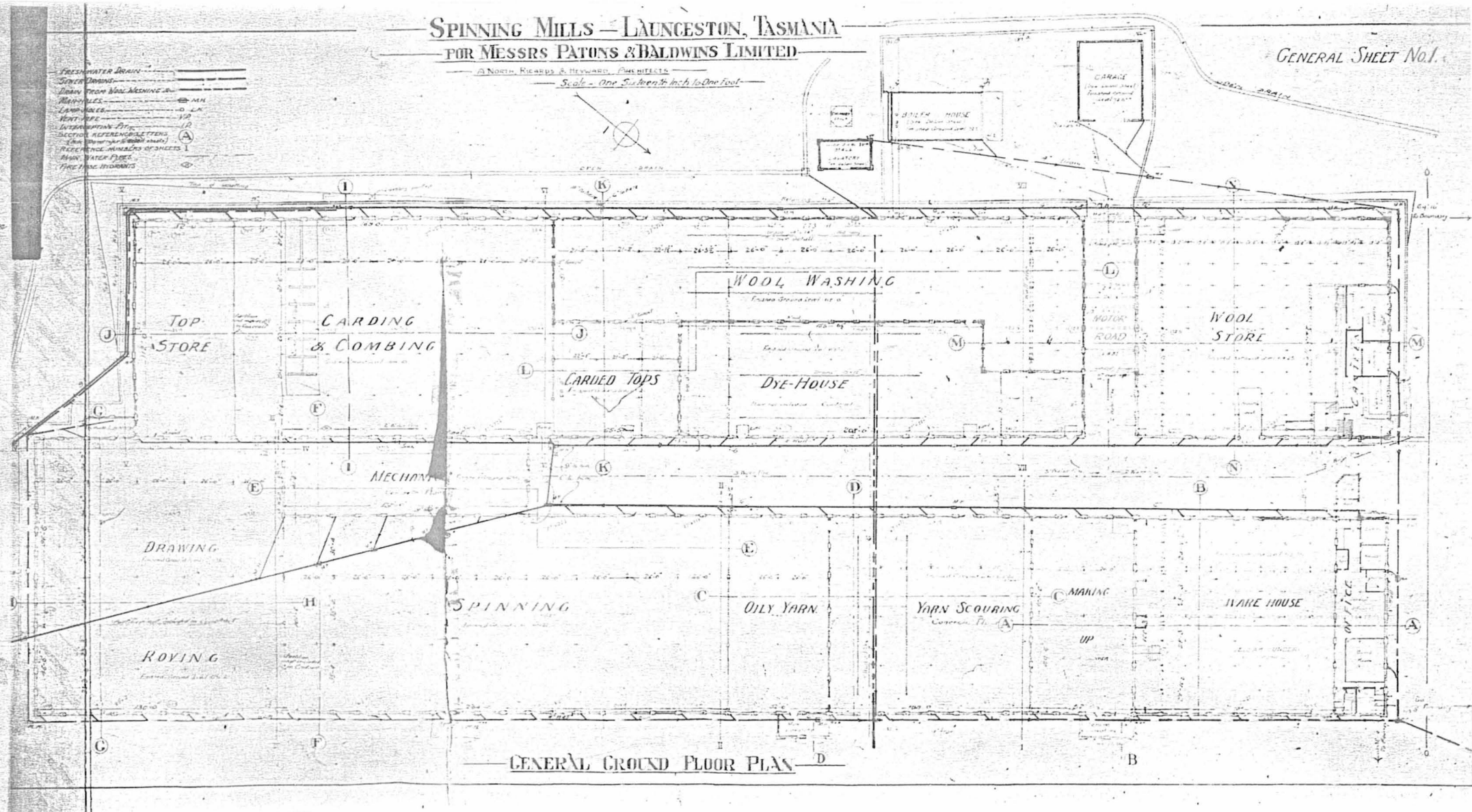
<sup>91</sup> *Examiner*, 26/1/1924.

# SPINNING MILLS — LAUNCESTON, TASMANIA FOR MESSRS PATON & BALDWIN LIMITED

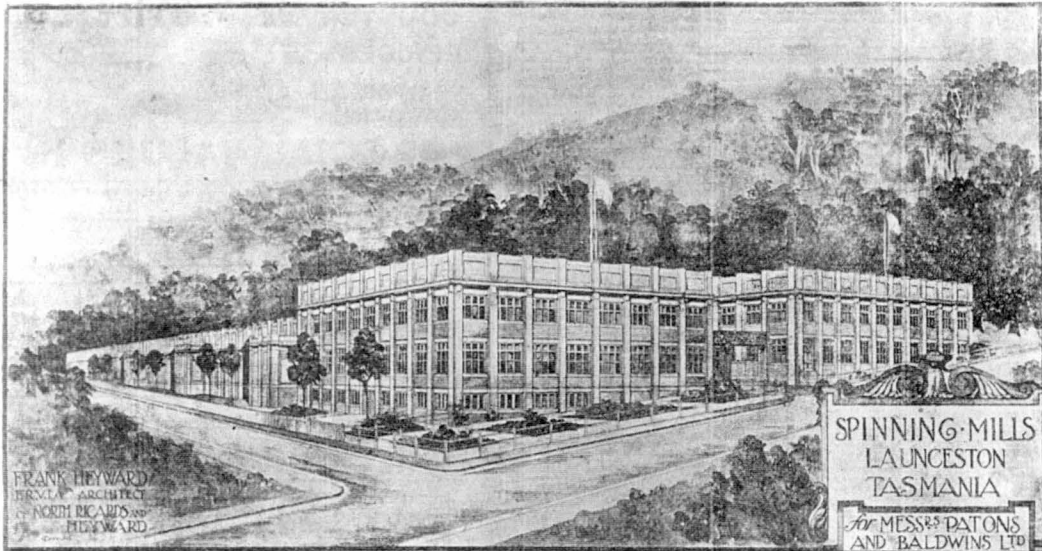
By NORTH, RICHARDS & HEYWARD, ARCHITECTS

Scale — One Sixteenth Inch to One Foot

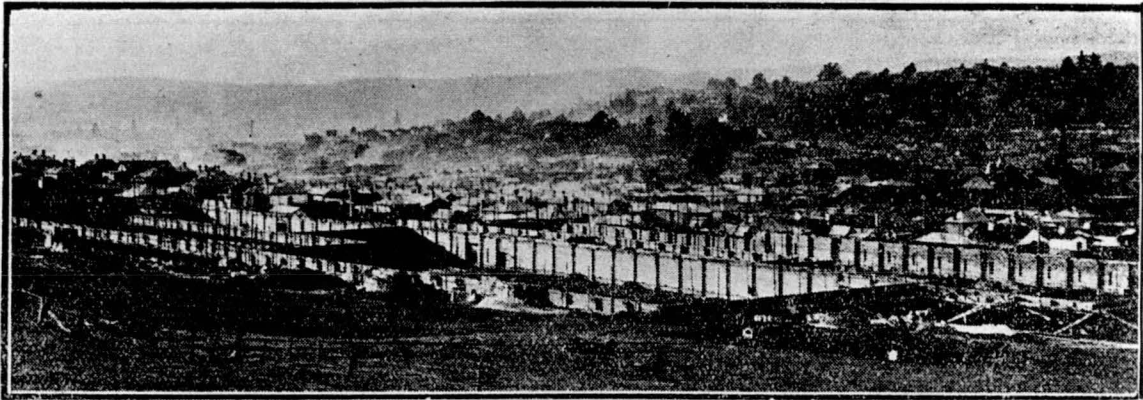
GENERAL SHEET No. 1.



11. Built predominantly on a single level, above are the plans for the ground floor of P&B Launceston's mill

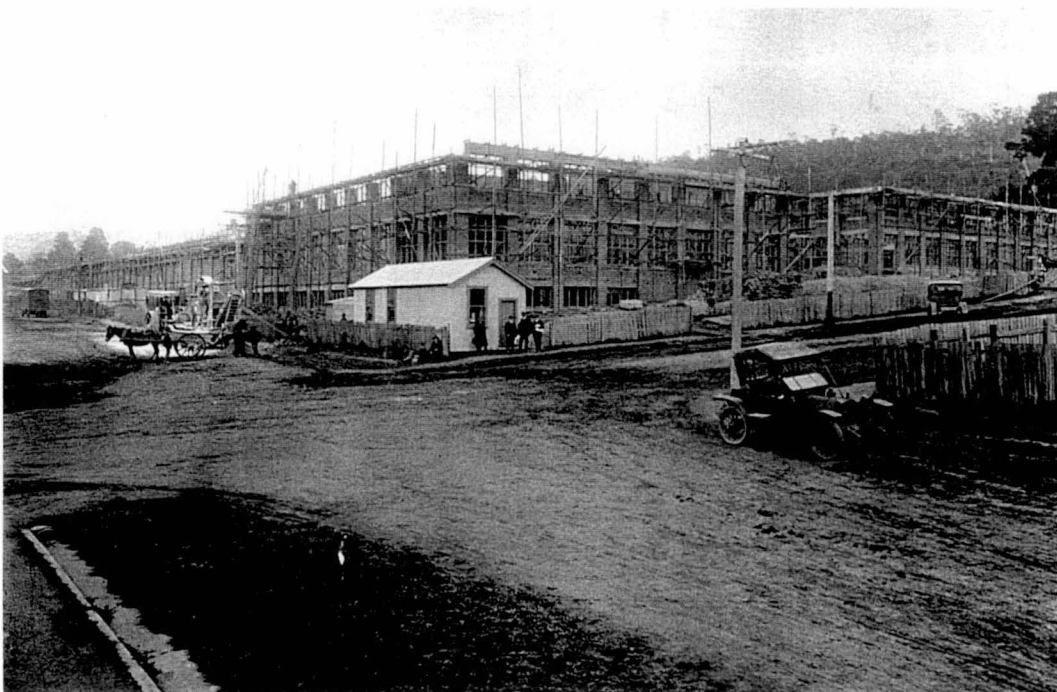


12. Above - The architects' representation of P&B Launceston's new mill.



13. Above - P&B's construction site in 1922. Launceston city is in the background under the smoke haze on the left.

14. Below - Continuing progress at the mill site, circa 1923.





15. Above - 1924. View of P&B's completed mill from the corner of Thistle and Glen Dhu Streets.

16. Below - View of P&B's completed mill from the south-east.



## CHAPTER 4

### LAUNCESTON'S PROMOTIONAL EFFORTS, SERVING BOTH REGION AND NATION

He who will not help himself will find few to assist him. This is an age of ideas, dawning upon men who have the great faculty of grasping opportunities as they come ... Self help is the keynote.<sup>1</sup>

These lines are from a 1926 promotional advertisement for Launceston's 50,000 League, an organisation aimed at boosting the city's population and encouraging progress. The quote could also be viewed as the philosophy driving Launceston Corporation and many of its leading citizens throughout the 1920s. While this theme has already had some play, it merits and now receives direct attention. Likewise, now becomes yet more apparent how regionalism called into its support not merely nationalistic rhetoric but also some genuine national feeling.

Launceston's attitude of self-help was grounded in a perception of northern "rape and neglect" by the south.<sup>2</sup> Regional parochialism is a much discussed area in Tasmania history, but the most comprehensive analysis relating to the 1920s is by Simon Harris. Although focusing upon tourism, Harris discusses a cross-section of areas in which regional rivalries were apparent, including competition for industry. As far as industrial development was concerned, the perception of neglect, or at least disregard, by a southern-based State government, appears to have validity. The experiences of the four major industries to settle in Launceston during this period, provide little evidence that the State government in any way encouraged selection of a northern location over one in the south.

Towards the end of World War I a syndicate intending to manufacture white lead applied, through the Agent-General, for a power supply anywhere in Tasmania. Such proposals would have been forwarded to the government run HED and, because only Hobart was then supplied by the State-owned hydro scheme, Hobart automatically

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<sup>1</sup> *Weekly Courier*, 20/5/1926, p.50.

<sup>2</sup> See Simon Harris, 'Boosterism: Tasmania and the Making of the Tourist State 1914-1928', PhD thesis, University of Tasmania, 1993, p.54.

Stefan Petrow maintains that Launceston's lack of natural advantages when compared with Hobart also fostered community consciousness and an attitude of self-help.

Stefan Petrow, *Sanatorium of the South? Public Health and Politics in Hobart and Launceston 1875-1914* (Hobart, 1995), p.32



had first option over any large power consumers interested in establishing in the State. We have already noticed that the HED refused to connect Launceston to the State scheme unless a commitment was received from a large industry to ensure the proposition's viability. Most companies interested in establishment wanted guaranteed power supplies before committing. Although the white lead manufacturing proposition was considered to be attractive, difficulties securing plant meant that the HED could not immediately guarantee power supplies, even in Hobart. Launceston, with its own power scheme, turned out to be the only area able to meet the company's demands.<sup>3</sup> The north's victory in this case was therefore the result of its attitude of self-help rather than government design. Likewise, Kelsall & Kemp and Patons & Baldwins were largely attracted to Launceston by aggressive Council marketing. The last major industry to be established in Launceston during this decade was the British firm, Rapson Tyre and Rubber Co. in 1926. Lloyd Robson tells of Sir Henry Jones' involvement in these negotiations and his efforts to encourage the company to establish in Launceston.<sup>4</sup> Local opinion in Hobart, however, believed Jones was encouraging Rapson to settle in that city, and there seems little reason to question that opinion.<sup>5</sup> If it were so, then one must give greater weight to Launcestonian activism (aided by Sir Henry's death during negotiations) in winning the business for their city. These cases gave weight to Launceston's view of southern neglect and suggest that the government took credit for establishment of industry with little apparent input. Whatever assistance was provided seems to have come after the south had been ruled out of consideration, not before. Launceston residents therefore appear justified in their opinion that if one wanted something done, they had to do it themselves.

The attraction of K&K and P&B in the early 1920s created a sense of optimism within Launceston of a bright industrial future. The end of the post-war boom and corresponding Australia-wide economic slump would, however, see hopes of further industrial advancement unfulfilled. Nevertheless, the Launceston region continued to push the industrial potential of its city throughout that decade. Launceston had long viewed itself as a progressive city.<sup>6</sup> With industrialisation promoted as the means of progress after the war, many local residents and organisations made a concerted effort

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<sup>3</sup> HED Report for 1917-18, No. 27: *Tasmania. Journals and Printed Papers of Parliament 1918-19*.

<sup>4</sup> Lloyd Robson, *A History of Tasmania*, vol. 2, p.421.

<sup>5</sup> 'Rapson Tyre Co., Unfounded Rumours', 25/11/1926 & 22/1/1927: LCC press cuttings, 1926-30.

to attract industry into the city during this period. Even the textile story went well beyond that given in these pages: companies wooed by Launceston during this period ranged from manufacturers of wool, cotton, linen and artificial silk, through to companies producing finished goods such as carpets, rugs, towels, sheets, corsetry, hosiery and other knitted goods.<sup>7</sup> While analysis of Launceston's promotional efforts would be a study in itself,<sup>8</sup> a number of common characteristics stand out.

First, was the obvious desire of the Council and many of its leading citizens to attract industry and their commitment in pursuing that end. This commitment was recognised by the *Industrial Australian and Mining Standard* in 1921. The *Standard* had followed "with much interest the arrangements .... for advertising the City of Launceston with the view to attracting industrial enterprises".<sup>9</sup> Paying tribute to the Launceston Council's promotional efforts, the *Standard* noted that, "The energy and enthusiasm ... shown by your Municipality in this matter are in marked contrast to the apathy regarding similar matters in so many other cities of the Commonwealth". Such energy and enthusiasm were aided by Launcestonians confidence in what their city had to offer. Although Geelong often lay claim to being "the Bradford of Australia",<sup>10</sup> Launceston was not to be outdone. Robert Hogarth repeatedly spoke of Launceston as "the Bradford of the Commonwealth",<sup>11</sup> a splendid exemplar of the regional-national symbiosis. Percy Hart proclaimed Launceston as "without a doubt, the place in the Southern Hemisphere best suited for the manufacturing of woollen goods and the products of spinning mills".<sup>12</sup> Launceston residents would therefore have been delighted to hear that a prospective linen manufacturer had not been impressed with the Geelong people who had interviewed him, and thought Tasmania "more likely to suit him than anything in the Commonwealth".<sup>13</sup> Promotional efforts did not emanate just from within the city. Negotiations between London based Amalgamated Textile

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<sup>6</sup> For views, of both a contemporary and an historian, as to the progressivism of the Launceston Corporation, see note 21, p.6.

<sup>7</sup> See Launceston City Council Files on Industries General, 1920-30.

<sup>8</sup> Even Harris' comprehensive work leaves something to be said on these matters.

<sup>9</sup> *Industrial Australian and Mining Standard*, To Mayor, 29/9/1921: Launceston City Council, Advertising Launceston's Resources etc., 1920-1921.

<sup>10</sup> Forster, *Industrial Development*, p.88.

<sup>11</sup> Robert Hogarth, To Acting Town Clerk, 24/2/20: Launceston City Council, Industries - Kelsall & Kemp, 19/4.1.

<sup>12</sup> P. Hart, To Managing Director, Wolsey Ltd, Leicester, 31/8/1922: Launceston City Council, Industries General (1922-1923), 19/1.1.

<sup>13</sup> S. Donnelly, Tasmanian Government Tourist Department, To Town Clerk, 28/7/1927: Launceston City Council, Industries General (1925-27), 21/1.3.



Company Limited and the Launceston Council began in 1921 after the company approached the Agent-General for information on Tasmania. Their interest was sparked by a glowing paper the Agent-General had written about Tasmania for the Royal Society of Arts.<sup>14</sup> The *Examiner* newspaper also played an active role in promoting Launceston in the early 1920s. It told of the city's "exceptional inducements to British and Foreign capital for the establishment of industries",<sup>15</sup> and claimed Launceston was "aptly styled the 'commercial capital' of the state", and had "everything necessary to make it one of the hives of Australian industry".<sup>16</sup> The local newspaper's promotional efforts were, however, largely directed toward the converted and did little to attract investment capital into the State. Alternatively, newspapers reports (and even rumours) were useful in ascertaining likely new industries. The Council took note of any companies reported to be considering establishment in Australia and initiated contract.<sup>17</sup>

After the arrival of K&K and P&B and the enthusiasm these companies generated, Launceston's industrial advancement slowed, and there were no new industries on the horizon. Believing promotion as a textile manufacturing centre was still Launceston's best chance for further development, in 1924 the Council twice discussed sending a representative to England and Scotland specifically to court textile manufacturers. The Council had already employed a Mr. Riley (about whom little is known) to represent its interests. Up until that point, Riley had supplied 45 British textile firms with information on Launceston, sent three reports to the Council, but claimed the immensity of the job meant he had not scraped the surface. The proposal was rejected on the first occasion, and the second time it was raised, Councillor and K&K director, Percy Hart, again held that the idea was a bad one. He pointed out that no benefit had been received from the Council's other representative who, as soon as he had arrived in England, had wanted more money. Hart maintained that Launceston's interests were being watched. Another Alderman Monds also expressed concern about the apparent lack of results from monies already expended for advertising. Nevertheless, the idea was supported by all except these two dissenters,

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<sup>14</sup> Agent General, To Premier, 11/4/1921: PD1 179/7/21.

<sup>15</sup> *Examiner Album*: Launceston City Council, Advertising Launceston's Resources etc., 1920-1921.

<sup>16</sup> Reprinted for *Examiner* 8/8/1921: Launceston City Council, Advertising Launceston's Resources etc., 1920-1921.

<sup>17</sup> See Launceston City Council Industries General files, 1920-30.

Hart and Monds both saw the proposal as a waste of ratepayers' money.<sup>18</sup> Some ratepayers agreed. A letter to the editor entitled "A Joy Ride" and signed "Somnambulism"<sup>19</sup> reflected public disquiet over what Hart had implied was little more than a junket.

Locals generally celebrated the establishment of any industry in their district, but there was also public concern about the lengths to which the State government would go to attract industry. In December 1920 the *Examiner* proclaimed, "Tasmania needs industries, and needs them badly, but unless great care is exercised we will pay very dearly for some of them".<sup>20</sup> According to the *Examiner* the floundering Hydro-Electric Carbide Manufacturing Company had the State government "by the wool." The government had issued the company with an "ultimatum ... to paddle its own canoe", then asked its Ministers to back the same company to the value of £120,000. Debate on the cost of attracting industry to Tasmania continued to be raised throughout the 1920s and beyond. Two examples highlighting the State government's lack of judiciousness when seeking to attract new industry in the 1920s can be seen in the Rubber Encouragement Bill of 1926 and the Artificial Silk Encouragement Bill of 1927. The first again relates to Rapson Tyre and Rubber Co and was directed towards encouraging the firm to establish in Tasmania. Despite the company's dubious financial standing, dividend payments were guaranteed for a certain period.<sup>21</sup> Rapson was placed in liquidation only two years after establishment. The Artificial Silk Industries Bill was proposed as an incentive to a synthetic manufacturer considering establishment in Tasmania. It effectively backed the company to the extent of £500,000. The papers took up this issue, claiming that the Tasmanian carbide case a decade earlier should have highlighted the danger of government association with private enterprise. As the synthetic company reputedly had no capital, government backing was seen as "a desperate policy of 'industries at any price'".<sup>22</sup>

The basis of Launceston Council's efforts to attract industry throughout the 1920s continued to revolve around the same incentives offered K&K and P&B: inexpensive hydro power, a cheap, plentiful and pure water supply, and a labour force

<sup>18</sup> 'Industries Wanted', 14/5/1924: LCC Press Cuttings 18/4/23-19/1/26.

<sup>19</sup> Letter to editor, 16/5/1924: LCC Press Cuttings 18/4/23-19/1/26.

<sup>20</sup> *Examiner* 4/12/1920.

<sup>21</sup> See PD1 179/11/26, Rapson Tyre & Jack Co.

<sup>22</sup> 'A Half Million Gamble' & letter to editor, 'Silk Industry', 10/11/1927: LCC Press Cuttings 1926-30.

free from industrial disturbance. After 1922, however, K&K (Tas) and P&B Launceston were themselves used as proof that the city's contentions about its industrial potential were correct. Additionally, in 1924, the State introduced a law whereby new industrial buildings costing over £25,000 were given special rating concessions for six years after their first assessment.<sup>23</sup> Launceston was referring to this change in promotional efforts even before its implementations.<sup>24</sup> K&K (Tas)'s dissatisfaction with its property valuation the previous year<sup>25</sup> had been appeased by the new law, and would only re-emerge when the concessions expired.<sup>26</sup>

By the latter half of the 'twenties, Launceston Council also began offering land to prospective companies at token charges. As early as 1919 the Launceston Chamber of Commerce had "strongly recommend the City Council ... offer land, power and water at special rates to induce the establishment of industries" and "make a definitive statement of the lowest sales that would be accepted".<sup>27</sup> The Council had done this with power and water, and repeatedly proclaimed that its "exceedingly low charges" were cheaper than in any other part of the Commonwealth.<sup>28</sup> Launceston Council was, however, slow to follow suit with land, even though other Councils were following this practice. There are instances of free land being offered to industry by private citizens. When car manufacturer, Henry Ford, was looking to establish in Australia, a local resident, E.J. Sidebottom, offered five acres at Newnham if Ford located in Launceston.<sup>29</sup> Ald. J.F. Ockerby made a counter-offer of 20 acres.<sup>30</sup> While the *Examiner* praised the men's generosity, both owned land surrounding their respective

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<sup>23</sup> The concession allowed qualifying industries to be rated at 3% of their capital value for the first 6 years, after which the rate was fixed at not less than 5%.

Launceston Mayor, To Henry Ford, Ford Motor Company, Canada, 16/1/1924: Launceston City Council, Industries General (1924-25), 21/1.2.

<sup>24</sup> Acting Town Clerk, To J.H. Butters, 19/3/1924: Launceston City Council, 21/1.2.

<sup>25</sup> *Minutes of K&K Directors' Meetings*, 20/4/1923 & 31/8/1923.

<sup>26</sup> When the concession expired in 1929 K&K (Tas) again raised its dissatisfaction with the £40,000 valuation placed upon its property, the Council agreeing to reduce the valuation by £2,635 because of roofing problems.

<sup>27</sup> Launceston Chamber of Commerce Executive Committee Meeting 4/8/1919: Minutes, 8/3/1917-19/6/1930.

<sup>28</sup> For example see Acting Town Clerk, To Messrs. Kenyon & Hyett, Melbourne, 5/6/1924: Launceston City Council, 21/1.2.

<sup>29</sup> *Examiner* 12/1/1924: LCC Press Cuttings 18/4/1923-19/1/1926.

<sup>30</sup> *Examiner* 15/1/1924: LCC Press Cuttings 18/4/1923-19/1/1926.

sites and were quick to point out that this could be used for associated expansion or housing purposes.<sup>31</sup>

In May 1926 the Council was admonished over its failure to provide free industrial sites by F. Phillips, who was looking to establish a carpet industry in Tasmania. In a letter advising that Launceston had been ruled out of contention as a factory location, Phillips pointed out that others within the State had been keen to extend land “gratis”, along with other unspecified inducements. He added, “that the people of Tasmania have naturally got to act more quickly if they desire to bring industries to their midst”.<sup>32</sup> That same month A.A. Evans was encouraging Sydney-based corset manufacturer, Fred Berlei, to establish in Launceston. Evans asked the mayor to send details of “every inducement” Berlei could be offered.<sup>33</sup> Nevertheless, Berlei was less enthusiastic about Launceston than it about him, mainly because Tasmania did not look “particularly attractive owing to the likelihood of hold-ups during the ever recurring shipping strikes”.<sup>34</sup> He did, however, agree to consider the city, inquiring (amongst other issues) about the possibility of a free site being made available. The Council responded that it was “not empowered to give land”, instead offering a site for 50 year lease at £30 per acre p.a.<sup>35</sup> Berlei went elsewhere. Despite the Council’s contentions, there was at least one instance, in early 1924, when Launceston Council had offered a free five acre site to a proposed cotton industry.<sup>36</sup> In the past the Council had claimed that it was not empowered to give free water, but had gotten around that problem by applying a token charge of £1 p.a. Perhaps the Phillip and Berlei incidents close together led the Council to reassess its stance on offering land. Launceston Council was also negotiating with Rapson Tyre and Rubber Co

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<sup>31</sup> Sidebottom’s ‘Fairfield Park’ consisted of 100 acres, 40 adjoining the site offered. Ockerby’s larger offer therefore appeared the more generous, particularly as he only owned 33 acres in total, which included his own private residence.

<sup>32</sup> Fred Phillips, Managing Director of Phillips Securities Ltd, To Town Clerk, 12/5/1926: Launceston City Council, Industries General (1925-27), 21/1.2.

<sup>33</sup> Berlei was recognised as a “first class type of man”, and “a most progressive Australian manufacturer [who] would be an acquisition ... in every way”. Evans saw Berlei’s greatest worth as his ability to influence other Australian manufacturers to consider Launceston.

Evans, To Mayor, Launceston, 29/5/1926: Launceston City Council, 21/1.3.

<sup>34</sup> Directors Office, Berlei Ltd, To Crawford, Town Clerk, 15/6/1926: Launceston City Council, 21/1.3.

<sup>35</sup> The Council had made inquiries about land for sale and could provide details if desired. The Council also agreed to allow free rates, electric power and water for two years from the date of land purchase (the power offer seeming to breach the HED agreement).

Town Clerk, To Fred Berlei, 10/7/1926: Launceston City Council, 21/1.3.

<sup>36</sup> Acting Town Clerk, To J.H. Butters, 19/3/1924: Launceston City Council, 21/1.2.

(Australia) Ltd at this time and, in September, decided to reduce an offer made for Council land at the Killafaddy Estate made in April from £25 per acre to £1 per acre.<sup>37</sup> By the middle of the following year Rapson had signed a lease for all the Corporation land fronting Gleadow and Foster Streets.<sup>38</sup> Hereafter the Council made similar offers to other companies. Meanwhile the Rapson company had also been negotiating with Hobart, and it is possible that an offer of land from Hobart Council may have motivated Launceston Council's change of heart. Phillips had earlier claimed that others within the state were making such offers.

Another industry inducement offered by Launceston Council in the 1920s was implemented because of regional competition. In August 1929 Launceston Council discovered that Hobart was charging less than Launceston for factory lighting (which was charged at a higher rate than power). It was also revealed that Hobart gave concessions to bulk power users, whereby lighting was allowed at power rates. The Council's electrical engineer recommended this anomaly be altered in Launceston's by-laws. The annual reduction for P&B was estimated at around £700 p.a.<sup>39</sup> P&B was informed of the policy change in November.<sup>40</sup> In 1922 K&K (Tas) had pushed for lighting to be charged at power rates, and had pointed out that this was done by municipal authorities in England. The Council had maintained power rates were already too low to grant such concessions.<sup>41</sup> Ongoing civic rivalry therefore achieved what the companies themselves could not.

Another characteristic commonly seen in efforts to attract industry during this period was that many of the companies with whom Launceston Council negotiated remained anonymous. Negotiations often took place through agents. One such man with whom the Council had dealings was Melbourne based P.B. Coulston. Acting as a middle man between companies and Councils, he was seen as a useful ally in the Council's efforts to attract new industries. In August 1927 Coulston was therefore elected as Launceston's consulting engineer, with the specific aim of contacting any visitors interested in establishing new industries in Australia and boosting Launceston's

<sup>37</sup> Town Clerk, To Herber Butler, Rapson Tyre and Rubber Company Australia Limited, 19/10/1926: Launceston City Council, Rapson Tyre Industry, Industries General (1926-1927), 21/1.5.

<sup>38</sup> Town Clerk, To Secretary, Marine Board, Launceston, 27/6/1927: Launceston City Council, 21/1.5.

<sup>39</sup> Strike, City Electrical Engineer, Memo to Finance Committee, 21/8/1929: Launceston City Council, Inquiries General (1928-29), 21/1.9.

<sup>40</sup> City Electrical Engineer, To P&B, 13/11/1929: Launceston City Council, 21/1.9.

<sup>41</sup> Danvers Walker, K&K, To City Manager, 11/7/1922: Launceston City Council, 19/4.1.

claims.<sup>42</sup> Paid a retaining fee of 50 guineas per annum for his services, Coulston held the position until 1929, when the Council thanked him for his excellent work but decided not to continue their arrangement.<sup>43</sup> Economic conditions presumably made the establishment of new industries unlikely and meant the position could no longer be justified. One wonders if the companies Coulston represented were aware of his conflict of interest in promoting Launceston. When acting as representative for Horrockes Crewdson Ltd, the biggest producer of household cottons, sheets, and so forth, in the world, the company had expressed surprise at Coulston's suggestion that their proposed Australian works be erected in Launceston. Claiming to be convinced by his arguments, they held that Coulston's advice "would certainly be the deciding factor as to locality."<sup>44</sup> The agreement does appear to have had some benefits for Launceston. Coulston put such energy into securing Rapson Tyre and Rubber Co, for example, that he was forced under doctor's instruction to take a "short rest".<sup>45</sup>

Of the numerous textile companies unsuccessfully courted by the Launceston Council in the 1920s, a cotton manufacturer seemed the most likely prospect. In 1927 two proposed cotton manufacturing companies were considering establishment in Launceston. Although details are sketchy, the larger concern was Nelson Cotton Manufacturing Company Ltd. With a nominal capital of £500,000<sup>46</sup> (later reduced to £200,000),<sup>47</sup> its draft prospectus listed Sir Amos Nelson as "the principal factor in the establishment of these mills."<sup>48</sup> Described as "one of the leaders of the Lancashire cotton trade", Sir Amos controlled ten textile companies in England and was chairman of seven. The smaller venture was Texo Cotton Manufacturers' Company Ltd which had a nominated capital of £40,000.

Instead of competing against each other for capital, the two companies eventually decided to combine forces and promote the smaller venture, which, if

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<sup>42</sup> Town Clerk, To P.B. Coulston, 30/8/1927: Launceston City Council, 21/1.3.

<sup>43</sup> Coulston, To Mayor Barber, 3/9/1927: Launceston City Council, 21/1.7.

Town Clerk, To Coulston, 10/8/1929: Launceston City Council, Industries General (1928-29), 21/1.8.

<sup>44</sup> Coulston, To Town Clerk, 4/12/1928: Launceston City Council, 21/1.8.

<sup>45</sup> Coulston, To Town Clerk, 2/2/1927: Launceston City Council, Industries General (1927-1928), 21/1.6.

These must have been particularly gruelling negotiations. Remember that Sir Henry Jones died of a heart attack after leaving one such meeting.

<sup>46</sup> Draft Prospectus of Nelson Cotton Manufacturing Co. Ltd.: Launceston City Council, 21/1.7.

<sup>47</sup> Town Clerk, To F. Thonemann, Melbourne, 28/5/1928: Launceston City Council, 21/1.6.

<sup>48</sup> Draft Prospectus of Nelson Cotton Manufacturing Co. Ltd.: Launceston City Council, 21/1.7.

successful, could then be expanded.<sup>49</sup> Negotiations proved long and frustrating, but on 2 November 1928 the *Examiner* announced, "All going well", Launceston would soon be able to boast another textile industry. Texo Cotton Manufacturers' intended to produce popular demand cotton cloths covered by tariffs.<sup>50</sup> While the *Examiner* told the public that £15,000 of the £40,000 capital was to be raised locally, Texo's backers were seeking closer to £20,000-£25,000 public input. Problems arose because local money could not be raised. Even before the scheme's public announcement problems were evident. Privately the company's backers had been pessimistic, and could not see how even £20,000 could be found.<sup>51</sup> J.S. Dickson, the company's general manager, was also told there was no chance of raising £20,000-£25,000.<sup>52</sup> Launcestonians were accused of not being interested in establishing this new and payable industry in their city.<sup>53</sup> With yet another industrial stoppage under way, it was pointed out that "this infernal strike had accentuated the distaste of investors for any industrial concern".<sup>54</sup> Correspondence on this proposal petered out soon after. This may have been one instance where Tasmania's continually disrupted shipping service directly undermined investor confidence and led to the loss of an industry. More likely, however, economic conditions were simply not conducive to investment at that time. When Sir Amos Nelson had visited Australia,<sup>55</sup> he later pointed out that it was a very bad time to get the large amount of capital required for such a venture.<sup>56</sup> Conditions later worsened.

In February 1929 Launceston papers again ran headlines "New Industry for Launceston", and claimed that the establishment of newly formed Textile Manufactures Co. was "practically assured".<sup>57</sup> Although using a different name, this company appears to have been a revamped Texo Cotton Manufacture. The new company

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<sup>49</sup> Fred Thonemann, To Barber (Mayor), 6/9/1927: Launceston City Council, 21/1.7.  
John S. Dickson, To Mr. Barber, Undated: Launceston City Council, 21/1.7 & 21/1.6.  
Town Clerk, To F. Thonemann, Melbourne, 28/5/1928: Launceston City Council, 21/1.6.

<sup>50</sup> *Examiner*, 2/11/1928: Launceston City Council, 21/1.7.

<sup>51</sup> Dickson, To Barber, 17/9/1928: Launceston City Council, 21/1.6.

<sup>52</sup> C.J. Weedon Pty. Ltd., To Dickson, 14/9/1928: Launceston City Council, 21/1.6.

<sup>53</sup> Dickson, To Barber, 17/9/1928: Launceston City Council, 21/1.6.

<sup>54</sup> C.J. Weedon Pty. Ltd., To Dickson, 14/9/1928: Launceston City Council, 21/1.6.

<sup>55</sup> Extract from *Argus*, 25/2/1927: Launceston City Council, 21/1.6.

<sup>56</sup> Claiming that he had been trying to point out to "the people with money, what an opportunity we are missing", Sir Amos had asked whether they were going to allow the Italians and other nationalities "to take the place that we should occupy"; implying that the English had a right to profit from its colonies whilst others did not.

Amos Nelson, of James Nelson, Limited, To Mr. H.M. Hill, 15/6/1927: Launceston City Council, 21/1.3.

<sup>57</sup> 'New Industry for Launceston', 25/2/1929: LCC Press Cuttings 1926-30.

intended to manufacture tariff protected cotton goods, had the same £200,000 nominal capital of which only £40,000 was to be immediately issued and £15,000 to be raised locally, and had J.S. Dickson as general manager and a director. Possibly an attempt to disassociate the new company with the fund-raising and other difficulties experienced by Texo, the timing of these companies' flotations ensured their fate. Capital was difficult to secure on the eve of the Depression. Nevertheless, these negotiations were still significant for Launceston as they focussed Sir Amos Nelson's attention upon the city. One of his companies, James Nelson, Limited, of Nelson, Lancashire, did subsequently establish a branch plant in Launceston in 1951. This would be the only other textile manufacturer to establish in Launceston after the 1920s boom. The decade therefore ended with the industrial promise associated with the arrival of K&K and P&B still unrealised. The economic conditions which hampered further industrial development in the region during the 1920s, would also confront K&K and P&B during their first years of operation in Launceston. The regionalists had done much and secured something, but scarcely had fulfilled all their hopes for either locality or nation.



## CHAPTER 5

### PROGRESS DURING THE 1920S

#### Unfulfilled Promise: c.1923-1925

How a company fares in the first years of operation can be significant to its future development. As already seen, both Kelsall & Kemp and Patons & Baldwins were established during a wave of post-war optimism, when conditions promised great rewards for those willing to invest. Soon after K&K's decision to establish in Launceston, Tasmania's Chief Inspector of Factories, Henry Reynolds, informed Parliament that Tasmania was "entering upon a period of increased prosperity and never before in its history [had] the outlook been so bright for the successful development of the industries of the State".<sup>1</sup> This seemed especially true for the State's textile industry. Reynolds maintained that "even if mills were double their size the orders could not be executed".<sup>2</sup> In mid-1921 Reynolds again spoke of the "advancement" made by the Tasmanian textile trade throughout the past year.<sup>3</sup> He reiterated this point the following year after the attraction of P&B. Buoyed by recent industrial agreements, authorities believed that Tasmania was finally "proving its adaptability as a place for manufacturing textile fabrics, woollens, and spinning yarns".<sup>4</sup> The 1921-22 financial year generally was described as an exceptionally busy one, with woollen mills working full-time, and some on over-time.

Unfortunately for K&K (Tas) and P&B Launceston, the start of production coincided with the end of this post-war textile boom. By 1923 the backlog of orders temporarily diverting the focus of British textile manufacturers towards their own domestic market was largely met. With some of Britain's most important export markets also contracting as more countries industrialised, remaining markets were

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<sup>1</sup> Fifth Annual Report of the Industrial Department for 1919-20, No. 21, p.3: *Tasmania. Journals & Printed Papers of Parliament, 1920-21.*

<sup>2</sup> Fifth Annual Report of the Industrial Department for 1919-20, No. 21, p.30: *Tasmania. Journals & Printed Papers of Parliament, 1920-21.*

<sup>3</sup> Sixth Annual Report of the Industrial Department for 1920-21, No. 17, p.31: *Tasmania. Journals & Printed Papers of Parliament, 1921-22.*

<sup>4</sup> Seventh Annual Report of the Industrial Department for 1921-22, No. 14, p.32: *Journals & Printed Papers of Parliament, 1922-23.*

aggressively targeted and imports of woollen piece-goods again began to rise.<sup>5</sup> Reynolds was, however, still positive about the Tasmanian textile industry's prospects in mid-1923. The "old established factories" had maintained full-time production throughout the year and, in some cases, installed new machinery.<sup>6</sup> Waverley was a case in point. Nevertheless, with new mills opening, existing mills expanding, and imports re-entering a limited domestic market, the possibility of over-production increased. This chapter therefore examines how the two companies under consideration fared during their first years of operation in Launceston amidst conditions which failed to live up to their original promise. Complementing material offered in the previous chapter, other industrial developments of significance during this period are also considered. A brief analysis of the early 1930s is also provided to demonstrate the effects of decisions made at the previous decade's end. While chronological order generally prevails, an exception is analysis of water problems and the 1929 flood.

By the time K&K (Tas) began operations in February 1923, the effects of the economic down-turn were already apparent. K&K (Tas) had difficulty securing sufficient orders to maintain full production almost from the start. Their scouring machine and carding engines were stopped within weeks of commencing production because supplies were seven to ten days ahead of schedule. Several hands were temporarily laid off.<sup>7</sup> Small orders came in slowly during the first few months. K&K (Tas)'s product distributor, Messrs. Dudfields, had previously sold considerable quantities of material for K&K Ltd<sup>8</sup> and suggested K&K (Tas) try keeping the mill occupied by producing a heavier flannel, claiming such products were selling freely. Quick production changes were not easily achieved, what with inexperienced labour, difficulties procuring wool, and quality problems (early yarn proving not "sufficiently satisfactory for the weavers to cope with").<sup>9</sup> Nevertheless, shareholders at the May AGM were told that Dudfields remained optimistic about future prospects, foreseeing no difficulty disposing of all K&K (Tas)'s product, although making no promises

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<sup>5</sup> Tweed and cloth output declined after 1920-21, but flannel and blankets continued to increase for several more years, local companies enjoying a period of great prosperity during the 1922-23 season. Forster, *Industrial Development*, p.78.

<sup>6</sup> Eighth Annual Report of the Industrial Department for 1922-23, No. 24, p.32: *Tasmania. Journals & Printed Papers of Parliament, 1923-1924*.

<sup>7</sup> *Minutes of K&K Directors' Meetings*, 10/4/1923.

<sup>8</sup> *Minutes of K&K Directors' Meetings*, Fourth AGM, 25/5/1923.

before the mill was fully operational.<sup>10</sup> Some orders were acquired by August and, demonstrative of the increasingly competitive market, “further large orders” were anticipated upon price reduction.<sup>11</sup> K&K (Tas) were already unhappy with some of the prices Dudfields had arranged, only accepting some of these orders “to keep face with the customers”. The mill also experienced cash flow problems during this early period, by May recording liabilities of £13,500 backed by only £6,067 in liquid assets. With no working capital, it was necessary to arrange a substantial overdraft (of up to £50,500).<sup>12</sup> The mill’s working life thus began in debt, the issued share capital insufficient to adequately sustain the company.

Although P&B Launceston did not begin production until late 1923, economic conditions for manufacturers of knitting wool still appeared good. Reynolds told Parliament that, despite keen overseas competition and falling prices, the volume of trade in knitted goods during 1922-23 was “greater than at any time since the inception of the industry in this state”.<sup>13</sup> With both new mills now working, the Launceston mayor’s annual review of the city’s progress in December was also optimistic, the report described as “pleasant reading”.<sup>14</sup> This optimism appeared born out by P&B’s initial trading results. In February 1924 P&B Launceston transferred £4,994 to central office after only three months of trading.<sup>15</sup>

Problems evident at K&K (Tas) in 1923 had escalated by the following year. Along with concerns about wage instability,<sup>16</sup> import competition intensified. K&K (Tas) was a member of the Associated Woollen and Worsted Textile Manufacturers of Australia, a national organisation that embraced “almost all woollen textile manufacturers” and whose members adhered to minimum prices specified by the Association for flannel and blankets.<sup>17</sup> The Association held a special meeting in Melbourne in late July to devise action against British competition and tariffs; Noel

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<sup>9</sup> *Minutes of K&K Directors’ Meetings*, 24/5/1923.

<sup>10</sup> *Minutes of K&K Directors’ Meetings*, Fourth AGM, 25/5/1923.

<sup>11</sup> *Minutes of K&K Directors’ Meetings*, 3/8/1923.

<sup>12</sup> *Minutes of K&K Directors’ Meetings*, Fourth AGM, 25/5/1923.

<sup>13</sup> Eighth Annual Report of the Industrial Department for 1922-23, No. 24, p.36: *Tasmania. Journals & Printed Papers of Parliament*, 1923-1924.

<sup>14</sup> ‘The Progress of Launceston’, 12/12/1923: LCC Press Cuttings, 18/4/1923-19/1/1926.

<sup>15</sup> Trading account for period 1/12/1923-29/4/1924: P&B Trading accounts & balance sheets 1923-36.

<sup>16</sup> *Minutes of K&K Directors’ Meetings*, Fifth AGM, 30/5/1924.

<sup>17</sup> First reference to Association in *Minutes of K&K Directors’ Meeting*, 7/3/1924.

The standardisation of blankets agreed upon in 1916 also came as a result of the Association. Forster, *Industrial Development*, p.92.

Walsh, the manager of K&K (Tas), attended.<sup>18</sup> Afterwards Walsh and K&K distributor, Dudfield, visited mainland buyers. Although competition was keen, they believed the company was “well in the market with the cloth [they] were offering”.<sup>19</sup> This optimism appear validated when, despite untrained labour, stints of short-time, and the entire mill working “much below ... normal output”, a £6,645 profit on manufacturing was recorded for the 1923-24 financial year. K&K’s Rochdale directors sent congratulations on these results, and felt that estimates “were very promising”.<sup>20</sup> At the same time K&K (Tas)’s first profit was announced, Launceston’s original woollen manufacturer, Waverley Woollen Mills, celebrated its fiftieth anniversary. The Launceston mayor sent a congratulatory letter to mark the occasion.<sup>21</sup> Although there were signs that conditions were worsening for the textile industry, such positive news created a sanguine atmosphere about Launceston’s future as a textile centre.

Possibly caught up in the enthusiasm of Launceston’s textile successes, another woollen manufacturer, Reliance Worsted Mills Pty Ltd, was started at this time. Local produce merchants and seedsmen, J.J. Broomby and Dent, began manufacturing worsted materials from purchased yarns in their converted store on the corner of William and George Streets in August.<sup>22</sup> Experienced staff were recruited from Britain. Reliance had some initial successes, winning contracts over older established companies. Since 1916, for example, the Tasmanian Supply and Tender Department had acquired cloth and fine serge for uniforms from Geelong. When Reliance began production, however, the Department found that the Launceston company could provide heavier serge at the same price as Geelong and changed suppliers.<sup>23</sup> Little information is available about Reliance, but it appears the company was never a large concern,<sup>24</sup> and was hampered by lack of capital. The ability to diversify, modernise and expand would be the hall-marks of successful textile manufacturers, at least as much as new industry generally, throughout the twentieth century.

Positive mid-year indicators were short-lived, and conditions deteriorated markedly for textile manufacturers just as Reliance commenced production. K&K

<sup>18</sup> *Minutes of K&K Directors’ Meetings*, 18/7/1924.

<sup>19</sup> *Minutes of K&K Directors’ Meetings*, 8/5/1924.

<sup>20</sup> *Minutes of K&K Directors’ Meetings*, Fifth AGM, 30/5/1924.

<sup>21</sup> Mayor, To Robert Hogarth, 15/5/1924: Launceston City Council 21/1.2.

<sup>22</sup> J.J. Broomby, Director of Reliance Worsted Mills Pty Ltd, To Premier Lyons, 1/12/26: PD1 22/3/26.

<sup>23</sup> Manager, Supply and Tender Department, To Secretary to Premier, 1/11/1929: PD1 101/3/29.

<sup>24</sup> Interview with P.M. Hart, 1/11/1996.

(Tas) at first thought that the failure of expected orders to eventuate in July and August was the result of customers holding back orders due to high wool prices. By October 1924 it became apparent that the situation was more serious and constituted a “very acute slump.”<sup>25</sup> The company was soon discussing reversion to short-time,<sup>26</sup> which was implemented before the year’s end.<sup>27</sup>

Despite knitting wools faring well in the early phase of the down turn, P&B also experienced difficulties securing sales by late 1924. In October P&B Alloa<sup>28</sup> warned P&B Launceston to clear “bad stock” by such means as redyeing old wool, claiming “we do not wish to turn any of our branches into a graveyard”.<sup>29</sup> Conditions had not improved by the end of the year, with orders for the last two weeks of December “disappointingly small”.<sup>30</sup> Despite such problems, P&B Launceston had a distinct advantage over K&K (Tas) during difficult economic times. P&B Launceston was a wholly owned subsidiary of the parent company, while K&K (Tas) was a financially autonomous company from K&K Ltd. In July 1924 P&B Ltd reported that the past year had been “very difficult”, with most of its mills running on short time.<sup>31</sup> In light of current conditions P&B Ltd’s directors felt their £361,686 profit<sup>32</sup> was “not a bad one”.<sup>33</sup> When K&K (Tas)’s financial situation (highlighted by a lack of working capital the previous year), is compared with P&B Launceston’s backing by a company whose profits in a bad year could still be substantial, the advantages to the latter company are obvious.

This is not to imply that K&K (Tas) was left to its own devices. K&K Ltd and its English directors held a controlling interest in K&K (Tas) and were able to exert considerable influence. Moreover, when K&K (Tas)’s Articles of Association were drawn up the English company had been “somewhat reluctant to give local Directors,

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<sup>25</sup> *Minutes of K&K Directors’ Meetings*, Sixth AGM, 29/5/1925.

<sup>26</sup> *Minutes of K&K Directors’ Meetings*, 10/10/1924.

The decision was left to enable consultation with Rochdale.

<sup>27</sup> *Minutes of K&K Directors’ Meetings*, 17/1/1925.

<sup>28</sup> P&B Alloa refers to the company branch at Alloa which was previously the headquarters of the Paton side of the business. For reasons later elaborated upon in chapter 6, most of the instructions for the Launceston mill appear to have emanated from P&B Alloa. The other branches of the company are likewise referred to by indicating their location after the company title.

<sup>29</sup> W.T. Procter, To Arthur Robert Procter (ARP), 13/10/1924: P&B, Private Correspondence Ex. Alloa.

<sup>30</sup> W.T. Procter, To ARP, 27/1/1925: P&B, Private Correspondence Ex. Alloa.

<sup>31</sup> P&B Ltd, Report of the Annual Meeting of Shareholders, 16/7/1924.

<sup>32</sup> P&B Ltd, Fifth Report & Balance Sheet, 30/4/1924.

<sup>33</sup> P&B Ltd, Report of the Annual Meeting of Shareholders, 16/7/1924.

with whom they were not well acquainted, all the usual powers”.<sup>34</sup> The Articles were structured accordingly and restrictions upon Tasmanian directors would long cause problems. An extraordinary general meeting was necessary in December 1920, for example, to redress an impractical clause in the agreement between the two companies under which K&K (Tas) required authorisation from K&K Rochdale before wool purchases could be made.<sup>35</sup> Again in December 1926, an extraordinary general meeting was called to alter the articles and allow local directors to purchase wool requirements and make customer agreements as they saw fit without English approval.<sup>36</sup> A significant change to the status quo was not made until 1936, when local directors publicly admitted that these restrictions were “rather a handicap”.<sup>37</sup> Maintaining that K&K Ltd’s caution was no longer necessary, it was finally resolved to extend local directors’ powers in accordance with usual practice. It seems that P&B Ltd was more open about the control held over its Launceston mill.

Although they were differently structured, time and place determined that both mills shared similar experiences; their basic raw material causing many problems throughout the 1920s. Before production commenced, government representatives had commented upon the supply of “excellent” wool available.<sup>38</sup> Nevertheless, K&K (Tas)’s production was originally hampered by commencing late in the wool season; local directors acknowledging the firm’s “indebtedness to the pastoralists of the district who had willingly helped us through a difficult period”.<sup>39</sup> P&B Launceston also appeared to have difficulty acquiring sufficient wool. In July 1924 P&B Alloa indicated that P&B Launceston was working “too near the bone to be comfortable” regarding the quantity of wool carried.<sup>40</sup> P&B Ltd also believed that its Launceston mill had been “rather up against it” in being forced to rely upon a particular Australian supplier of scoured wool. After suppliers had promised to deal “reasonably” with P&B Launceston, scoured wool had cost the same as in Bradford, the English centre of the woollen industry. P&B Alloa felt this was not “playing the game”, considering transportation savings. By October 1923 P&B Launceston concluded that prices for

<sup>34</sup> *Notes from K&K Chairman’s Speech for 17th AGM*, 11/9/1936.

<sup>35</sup> *Minutes of K&K Directors’ Meetings*, 6/12/1920.

<sup>36</sup> *Minutes of K&K Directors’ Meetings*, 17/12/1926.

<sup>37</sup> *Notes from K&K Chairman’s Speech for 17th AGM*, 11/9/1936.

<sup>38</sup> Sixth Annual Report of the Industrial Department for 1920-21, No. 17, p.6: *Tasmania. Journals & Printed Papers of Parliament*, 1921-22.

<sup>39</sup> *Minutes of K&K Directors’ Meetings*, Fifth AGM, 30/5/1924.

scoured wool from this firm were simply too high to be paid.<sup>41</sup> Wool scouring likewise caused problems at K&K (Tas), who had been provided with a scouring plant to enable their Launceston mill to purchase and scour wool for themselves and K&K Rochdale. The plan soon proved uneconomical. Much of K&K's wool was purchased on the mainland, meaning that it had to be shipped to Tasmania, then scoured, and returned via Melbourne to England. K&K Ltd soon deemed it more economical to have mainland purchases scoured on the mainland; K&K (Tas)'s plant was therefore sold to local wool-scouring and fellmonger firm, L.W. Smith, who gave K&K a priority deal to scour their Tasmanian wool purchases.<sup>42</sup>

The severity of conditions in the textile industry had intensified by the following year. K&K (Tas) began 1925 by reverting to full-time with half labour.<sup>43</sup> A few orders were filtering in by March, and Dudfields were optimistic about future prospects for several new lines under production.<sup>44</sup> At the May AGM, K&K (Tas)'s Chairman reported that, while most trades in the Commonwealth had gone through a "difficult period" in the last financial year, the woollen industry had experienced "a most severe depression".<sup>45</sup> Trade had fallen off to such an extent that many Geelong mills, at the heart of Australian textile industry, were working half-time,<sup>46</sup> and the papers provided almost daily accounts of mill closures; some long established mills forced onto short time for the first time ever. With K&K (Tas) "scarcely on its legs", the Chairman felt they were bound to suffer more than well established firms.<sup>47</sup> K&K ended the 1924-25 financial year with a £3,961 loss. Difficulties associated with a fall off in trade were not the textile industry's only problem. The general economic slump affected customers ability to pay, and there was continual evidence of K&K's customers not paying bills or going into liquidation. Despite much competition, this led K&K (Tas) to be cautious when accepting orders, only confirming the second half of a large order from D.G.S. Shirt Co, for example, after payment for the first half was received.<sup>48</sup> While the textile industry enjoyed relative industrial harmony during the 1920s,

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<sup>40</sup> T. Stirling, To ARP, 22/7/1924: P&B, Private Correspondence Ex. Alloa.

<sup>41</sup> ARP, To P&B Alloa, 26/10/1923: P&B Alloa, Correspondence 1923-24.

<sup>42</sup> Interview with P.M. Hart, 1/11/1996.

<sup>43</sup> *Minutes of K&K Directors' Meetings*, 17/1/1925.

<sup>44</sup> *Minutes of K&K Directors' Meetings*, 27/3/1925.

<sup>45</sup> *Minutes of K&K Directors' Meetings*, Sixth AGM, 29/5/1925.

<sup>46</sup> Forster, *Industrial Development*, p.78.

<sup>47</sup> *Minutes of K&K Directors' Meetings*, Sixth AGM, 29/5/1925.

<sup>48</sup> *Minutes of K&K Directors' Meetings*, 13/2/1925.

Launceston's textile manufacturers were, nevertheless, affected by ongoing industrial unrest in other industries. In mid-1925 industrial disputes loomed in the railway, maritime and coal industries.<sup>49</sup> With the prospect of yet another maritime strike, Premier Lyons informed the Prime Minister that "Something akin to a state of panic" existed in Tasmania's commercial circles, and believed that materialisation of this strike would spell disaster for the state.<sup>50</sup>

K&K (Tas)'s relationship with the Associated Woollen and Worsted Textile Manufacturers of Australia also soured as conditions worsened. Until early 1925 Tasmanian mills were disadvantaged as an island state by Association policy in which the fixed minimum price was either "free on road" or "free on board".<sup>51</sup> Aiming for concessions on minimum price to off-set Tasmania's freight costs, a K&K (Tas) representative attended an Association Conference in Melbourne in January 1925, and secured a change to "cost, insurance, and freight"<sup>52</sup> at capital ports or cities, Launceston included.<sup>53</sup> Although a victory for Tasmania mills, the return to competitive conditions made even limited price control difficult to maintain.<sup>54</sup> In mid-1925 K&K (Tas)'s manager noted that non-Association mills were capturing many orders.<sup>55</sup> As Association members lost trade to mills outside the organisation, member dissatisfaction increased. Warrnambool Mill was one manufacturer who subsequently withdrew its membership because sales had been affected "by a few mills outside the Association" undercutting fixed prices.<sup>56</sup> Warrnambool's case also highlights the Association's difficulty in maintaining price control and retaining members. In mid-1925 (before Warrnambool's withdrawal from the Association), news leaked out that it had sold 12,000 "so called faulty blankets" below minimum price. Breaking Association rules was made worse because Warrnambool's manager was the Association's President.<sup>57</sup> Claiming to no longer have full confidence in the Association, K&K (Tas) resigned over this incident. Although urged to reconsider,

<sup>49</sup> T. Stirling, To ARP, 13/7/1925: P&B, Private Correspondence Ex. Alloa.

<sup>50</sup> Premier, Memo to Secretary to Premier, 30/6/1925: PD1 99/14/1925.

<sup>51</sup> Forster, *Industrial Development*, p.93.

"Free on board" and "free on road" respectively indicate that the supplier bears the cost of sea and road transportation.

<sup>52</sup> *Minutes of K&K Directors' Meetings*, 1/1/1925.

Cost, insurance and freight were henceforth included in the price quoted.

<sup>53</sup> Forster, *Industrial Development*, p.93.

<sup>54</sup> Forster, *Industrial Development*, p.93.

<sup>55</sup> *Minutes of K&K Directors' Meetings*, 6/7/1925.

<sup>56</sup> *Jobson's Investment Digest 1926*, p.45 in Forster, *Industrial Development*, p.93.



“otherwise ‘open warfare’ would result”, K&K stood firm.<sup>58</sup> Before commencing production K&K (Tas) had also joined the Chamber of Manufacturers for a year, but, with conditions worsening by August 1925, company director Percy Hart proposed that the company withdraw its membership “as little if any good accrues”.<sup>59</sup> While the decision was temporarily postponed, this was another example of economic depression weakening representative organisations.

Despite all indicators to the contrary, in mid-1925 K&K (Tas)’s directors publicly denied that the Australian market was over-serviced. Shareholders were instead told that Australian trade was “satisfactory”, and that initial faith that the mill could be kept busy supplying the Australian market seemed to be supported by experience.<sup>60</sup> With the company’s product range increasing, directors felt that their new lines would meet less competition and that “it only remained for trade to revive to ensure the success of the mill”. Since the end of its financial year the company had been operating on roughly half production, and directors believed this would continue until new season orders arrived in July and August. No longer subject to price control by the Textile Association, K&K (Tas) instructed Dudfields on its own minimum price, being willing to use their lowest level only for orders over 1,000 pieces and then only when absolutely forced by competition.<sup>61</sup> As predicted, a number of orders were received by August. One for 4,000 blankets was accepted at cut price in an attempt to get the mill working full time again. Efforts to bring all looms into production were, however, hampered by difficulties procuring labour. The constant reversion to short-time made retention of staff an ongoing problem in the first years of operation.<sup>62</sup>

Although P&B Launceston were able to send home a profit of £7,445 for the twelve months ended February 1925,<sup>63</sup> the parent company appeared dissatisfied with progress. P&B Alloa had expressed hope for an improvement at their Launceston mill by early 1925, but were disappointed. Despite a number of orders imminent in January, conditions made it difficult to keep the mill going full time.<sup>64</sup> This fear was

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<sup>57</sup> *Minutes of K&K Directors’ Meetings*, 6/7/1925.

<sup>58</sup> *Minutes of K&K Directors’ Meetings*, 15/7/1925.

<sup>59</sup> *Minutes of K&K Directors’ Meeting*, 26/3/1923 & 29/8/1925.

<sup>60</sup> *Minutes of K&K Directors’ Meetings*, Sixth AGM, 29/5/1925.

<sup>61</sup> *Minutes of K&K Directors’ Meetings*, 12/8/1925.

<sup>62</sup> *Minutes of K&K Directors’ Meetings*, 29/8/1925.

<sup>63</sup> Trading account for 12 months ended 28/12/1925: P&B trading accounts and balance sheets, 1923-1928.

<sup>64</sup> W.T. Procter, To ARP, 27/1/1925: P&B, Private Correspondence Ex. Alloa.

realised by mid-March.<sup>65</sup> The state of the wool market aggravated the situation, with wool prices in February 1925 “tumbling all round”.<sup>66</sup> This led to P&B Launceston’s wool purchases for the season being written down, turning a possible profit into a serious loss.<sup>67</sup> P&B’s British mills were likewise floundering by mid-1925, with all branches on half-time, and no prospect of immediate improvement.<sup>68</sup> P&B Alloa director, William Procter, sympathised that conditions were probably as difficult in Launceston, and feared no change until wool values bottomed.<sup>69</sup> Despite such troubles P&B Ltd were able to pay a 7.5% dividend for the 1924-25 financial year, P&B Launceston’s general manager being pleased because he had not expected anything more than 5%.<sup>70</sup> He did, however, fail to mention that P&B Ltd’s profits had dramatically declined that financial year to only £151,755 and that only transferral of funds from the company’s substantial monetary reserves had allowed this dividend. Such options were not available to shareholders of K&K (Tas).<sup>71</sup>

Textile companies lacking the type of support available to P&B Launceston suffered more severely as import competition increased. The case of Hobart-based James Aiken and Sons Ltd is indicative of the problems associated with over-extension in Australia’s textile industry after the war. This long established firm employed around 80 people, and came close to bankruptcy in 1925. A combination of bad management, additions to machinery and dramatic rises in the wool price, had seen the mill suffer “astonishing” losses for the previous two years.<sup>72</sup> With most of Aiken’s working capital used up, their bank refused to extend further credit, while insisting their debt be reduced. Raising additional capital was not possible because, prior to the down-turn, the company’s remaining shares had been specifically called to build a new mill at Wagga. Without intervention the company’s only option was closure and, by May, the mill was temporarily shut. Local director, C. McKay, petitioned Premier Lyons to intervene with the banks on the mill’s behalf, and joined what would become a national cry by textile manufacturers for greater protection:

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<sup>65</sup> ARP, To P&B, Alloa, 28/4/1925: P&B, Private Correspondence Ex. Alloa.

<sup>66</sup> T. Stirling, To ARP, 18/2/1925: P&B, Private Correspondence Ex. Alloa.

<sup>67</sup> P&B Ltd praised Launceston wool buyer, Watson Dawson’s, recent wool purchases, despite the fall in prices making them unprofitable.

T. Stirling, To ARP, 18/2/1925: P&B, Private Correspondence Ex. Alloa.

<sup>68</sup> W.T. Procter, To ARP, 16/6/1925: P&B, Private Correspondence Ex. Alloa.

<sup>69</sup> W.T. Procter, To ARP, 16/6/1925: P&B, Private Correspondence Ex. Alloa.

<sup>70</sup> ARP, To W.T. Procter, 9/9/1925: P&B, Private Correspondence Ex. Alloa.

<sup>71</sup> P&B Ltd, Sixth Annual Report & Balance Sheet, 30/4/1925.

I do not hope for good profits in the woollen business until such time as a little more protection is given ... But if we can keep [Aiken mill] going, even with a small profit, the Federal Government is, in my opinion, bound to afford protection to so important an industry as this, in order to preserve it.<sup>73</sup>

While the nature of the government's intercessory role is unclear, by early June McKay was thanking the Labor government for its foresight in stepping in to assist the mill,<sup>74</sup> although problems finalising assistance caused further delays in restarting production.<sup>75</sup>

### **A Tariff Induced Respite: c.1925-1929**

McKay's calls for increased protection to counter increased competition was typical of the textile industry's response. With the textile industry increasingly hard hit by overseas competition, in 1925 the Tariff Board finally bowed to pressure and reassessed protection levels. First examined was assistance for woollen yarn. Lower wages and longer working hours meant that English yarn sold at approximately 15% less than Australian yarn; the Board recommended an increase in the B.P.T. from 10% ad valorem to 20%.<sup>76</sup> Subsequently addressed were woollen piece goods, the Board deeming a duty increase unnecessary, but allowing a 5% increase to compensate for the increased duty on yarn.<sup>77</sup> These increases took effect from September 1925, even though larger concerns manufacturing the better class of materials admitted increased protection was unnecessary and served mainly to keep inefficient mills viable.<sup>78</sup> For new mills not yet on their feet as the downturn hit, however, tariff increases came at an opportune time. Coinciding with the introduction of the new tariff, P&B Launceston reported home that their mill was again busy. They had even recently been able to recommence a night shift.<sup>79</sup> The specific duty had amounted to a virtual prohibition on lower priced woollen piece goods,<sup>80</sup> and was particularly beneficial to companies such as K&K (Tas) who catered for the cheaper end of the market. According to K&K

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<sup>72</sup> C. McKay, Local Director of James Aiken & Sons Ltd, To J.A. Lyons, 15/4/1925: PD1 179/8/25.

<sup>73</sup> McKay, To J.A. Lyons, 15/5/1925: PD1 179/8/25.

<sup>74</sup> McKay, To J.A. Guy, Chief Secretary's Office, Hobart, 12/6/1925: PD1 179/8/25.

<sup>75</sup> McKay, To Lyons, 24/6/1925: PD1 179/8/25.

<sup>76</sup> *Tariff Board Report on Yarns - Woollen*, 1925 as cited in Forster, *Industrial Development*, p.79.

<sup>77</sup> The Board felt the main competition came from the importation of shoddy and cotton tweeds, a situation best met by imposing a specific duty on 1s. per square yard B.P.T.

*Tariff Board Report on Woollen Piece Goods*, 1925 as cited in Forster, *Industrial Development*, p.79.

<sup>78</sup> Forster, *Industrial Development*, pp.79 & 91.

There was undoubtedly truth in these claims, but the larger mills' self-interest is also apparent.

<sup>79</sup> ARP, To W.T. Procter, 9/9/1925: P&B, Private Correspondence Ex. Alloa.

<sup>80</sup> The industry entered upon a new period of rapid expansion. For most woollen mills, production peaked in 1926-27, except for yarn which continued to increase with demand from knitting mills.

(Tas), rumours of tariff increases temporarily aggravated the problem of overseas competition, importers rushing large quantities of goods into the country before the proposed new tariff took effect.<sup>81</sup> Nevertheless, by early September the company was forced to reject further orders for dyeds and blankets because they already had orders at hand for eight months work.<sup>82</sup> Several months later, K&K (Tas)'s Chairman reported that prospects were "distinctly brighter", with the new tariff having a healthy effect.<sup>83</sup>

Soon after the September tariff increases took effect, James Edward Thyne of Sandringham, Victoria, contacted Tasmanian authorities about establishing a knitting mill in Launceston.<sup>84</sup> A director and general manager of Australian Knitting Mills and a director of Yarra Falls Ltd (Vic),<sup>85</sup> Thyne proposed establishing a proprietary company with his two sons; their preferred location was either Launceston or Melbourne.<sup>86</sup> While Thyne maintained that Melbourne's superiority as a manufacturing centre was "in certain respects, undoubted", Launceston was being considered because the company intended to purchase most of its materials from P&B Launceston. Thyne thus inquired whether a free site near P&B Launceston could be made available, or one at "a price which would help to reduce initial capital expenditure"; what conditions could be offered for water, electric light and power (the State government subsequently informing Launceston they would handle power negotiations);<sup>87</sup> and what

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Forster, *Industrial Development*, p.79.

<sup>81</sup> *Minutes of K&K Directors' Meetings*, Seventh AGM, 26/5/1926.

<sup>82</sup> *Minutes of K&K Directors' Meetings*, 5/9/1925.

<sup>83</sup> *Minutes of K&K Directors' Meetings*, Seventh AGM, 26/5/1926.

<sup>84</sup> Expansion of the manufacture of hosiery and knitted goods was even more rapid than in woollen textiles. Before the war the hosiery and knitted goods industry was small, only one knitting company manufacturing its own yarn, all other yarn being imported. The war offered the opportunity for expansion, hindered only by difficulties in obtaining yarn. With tariff assistance the industry grew swiftly until 1927-28, aided by fashion changes, new materials and innovations in hosiery manufacture. After a pause in which further duties were imposed, the industry again expanded, the general tariff increases at the end of 1929 raising duties to "an almost prohibitive level".

Forster, *Industrial Development*, pp.72, 93-99.

<sup>85</sup> *Examiner*, 11/8/1964.

Both were significant woollen manufacturers. Yarra Falls was one of the largest and most efficient woollen mills in Australia during the 1920s. It was formed principally to spin yarn for Australian Knitting Mills, which, like K&K and P&B, was one of the five known woollen manufacturers established in Australia with British capital after World War I.

Forster, *Industrial Development*, p.83.

<sup>86</sup> J.E. Thyne, To Manager, Tasmania Government Tourist Bureau, 29/12/1925: Launceston City Council, Industries General (1925-1927), 21/1.3.

<sup>87</sup> Chief Secretary's Department, Hobart, To A.A. Evans, Launceston, 5/1/1926: Launceston City Council, 21/1.3.

other advantages Launceston had to offer over Melbourne as a manufacturing centre.<sup>88</sup> As P&B Launceston's distributor, P&B (Australasia) Ltd, was Melbourne based, it is unlikely there was any great benefit for Thyne to locate near the Launceston mill, particularly if he was really convinced of Melbourne's superiority. More likely, Thyne was attempting to get the best possible deal from Tasmanian authorities. Thyne was no doubt aware that, after the war, Tasmania's Chief Inspector of Factories noted for three consecutive years that Tasmanian demand for knitted goods exceeded supply,<sup>89</sup> and was likely interested in targeting the State's domestic market. Although Tasmania's domestic market was limited, it was probably less competitive than the Victorian market and suited to small beginnings. Supporting contentions that Thyne was not interested in establishing in Melbourne, the first discussions between Thyne and Tasmanian government representative, H.D.J. Webb, led Webb to conclude that Thyne "appeared very anxious to establish ... in Tasmania".<sup>90</sup>

Negotiations to secure Launceston's fourth textile industry that decade progressed rapidly in the new year. In early January the Chief Secretary's Department requested that Launceston mayor, A.A. Evans, and Claude James, MHA, work together to help Thyne secure a site.<sup>91</sup> L.S. Bruce, manager of Launceston's Tourist Bureau, had previously ascertained that a building suitable for knitting mills was available.<sup>92</sup> Thyne Brothers Proprietary Limited was incorporated on 13 January 1926,<sup>93</sup> with a capital of £30,000. The business' stated objectives were to manufacture knitted goods and operate as spinners and weavers<sup>94</sup> (although the company initially

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<sup>88</sup> J.E. Thyne, To Manager, Tasmania Government Tourist Bureau, 29/12/1925: Launceston City Council, 21/1.3.

<sup>89</sup> Annual Reports of the Industrial Department 1919-1922, *Tasmania. Journals and Printed Papers of Parliament* as cited in Forster, *Industrial Development*, p.94.

<sup>90</sup> H. Webb, Tasmanian Government Representative, To J.A. Lyons, 31/12/1924: Launceston City Council, 21/1.3.

<sup>91</sup> Chief Secretary's Department, Hobart, To A.A. Evans, Launceston, 5/1/1925: Launceston City Council, 21/1.3.

<sup>92</sup> H. Webb, Tasmanian Government Representative, To J.A. Lyons, 31/12/1925: Launceston City Council, 21/1.3.

<sup>93</sup> Certificate of Incorporation of Proprietary Co: Thyne Bros. Pty Ltd Business Records, LMSS 136.

<sup>94</sup> Memorandum and Articles of Association of Thyne Bros. Proprietary Limited: Thyne Bros. Pty Ltd Business Records, LMSS 136.

Very much a family business, the company's directors initially consisting of S.J. Thyne, who was also company secretary and Public Officer (and later served as Launceston mayor), J.E. Thyne (who doubled as Chairman) and F.E. Thyne.

Minutes of Thyne Bros. Directors' Meetings, 2/2/1926 & 18/2/1926: Thyne Bros. Business Records, Minutes 1926, LMSS 136.

operated as a knitting mill only, a woollen spinning plant not installed until 1937).<sup>95</sup> Purchasing the old Union Brewery site at 214 York Street, Thyne Bros. hoped to start work only a month after the site's purchase<sup>96</sup> and Thyne was in Launceston by 14 January personally negotiating matters.<sup>97</sup> Within only a few months of operation it was necessary to increase the company's capital from £30,000 to £40,000,<sup>98</sup> and by mid-1926 the company had purchased a second property in Wellington Street for £2,150.<sup>99</sup> (See illustration Nos. 17 & 18.)

Although continued expansion of Launceston's textile industry appeared positive for the State, economic conditions in Tasmania during 1926 were weak. With State debt increasing, taxes high, population deserting, and other problems unique to its island status, Tasmania was struggling to survive as a self-governing State under current federal funding levels. This was the picture presented in 'The Case for Tasmania' in early 1926. This review of the State's disabilities was presented to Sir Nicholas Lockyer, the special investigator appointed by the federal government to examine Tasmania's economy. While Tasmania's own investigations pointed to inadequate federal funding as the main cause of the State's problems, Lockyer placed much of the blame upon State government policy.<sup>100</sup> Few were happy with Lockyer's conclusions,<sup>101</sup> and Launceston was no exception. Discussing the 'Case for Tasmania' in September 1926, the Launceston Chamber of Commerce believed the need for special consideration was particularly felt in the Launceston region.<sup>102</sup> The State also continued to be blighted by industrial action, the previous year's threatened coal strike

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<sup>95</sup> Thyne Bros., To Director, Industrial Development Department, 13/3/1958: Thyne Bros. Business Records, LMSS 136.

<sup>96</sup> Launceston Mayor, To J. Allan Guy, Chief Secretary, Hobart, 15/1/1926: PD1 179/1/26.

<sup>97</sup> Town Clerk, To Premier, 14/1/1926: Launceston City Council, 21/1.2.

<sup>98</sup> Minutes of Thyne Bros. Directors' meeting, 21/9/1926: Minutes, 1926-1926: Thyne Bros. Business Records, LMSS 136.

<sup>99</sup> Minutes of Thyne Bros. Directors' meeting, 17/6/1926: Minutes, 1926-1926: Thyne Bros. Business Records, LMSS 136.

Thyne Bros' recorded a £3,529 loss for the financial year ended June 1927, again making a £3,313 loss in the 1927-28 financial year. While details of their results for the rest of the 1920s are not available, their 1928 result came at a time when the larger textile companies achieved their best results for the decade.

Thyne Bros. 1928 Balance Sheet: Thyne Bros. Business Records, LMSS 136.

<sup>100</sup> See W.A. Townsley, *Tasmania. From Colony to Statehood 1803-1945* (Hobart, 1991), p.311-4.

<sup>101</sup> *Mercury*, 20/4/1926.

<sup>102</sup> With orcharding the north's main primary industry, the Chamber felt that "the almost complete collapse of the London market for Tasmanian apples" strengthened its claims for assistance. Launceston Chamber of Commerce AGM 16/9/1926: Minutes 28/10/1915-29/11/1937.

**TamarKnit**  
MADE IN TASMANIA

**High Class Knitwear**

TAMARKNIT High-class Knitwear takes its name from the beautiful Tamar River, Launceston, Tasmania.

TAMARKNIT Bathing Costumes are knitted mainly from locally-made materials. Skilled girls and careful technical supervision produce the fabrics, which are then dyed. The pure water of Launceston, combined with the best materials and experienced workmanship, result in the colours of TamarKnit Bathing Costumes being unrivalled for purity and fastness.

TAMARKNIT Pullovers and Cardigans are prepared under the same exacting conditions. The colour designs and patterns are of great variety and good taste, combining as they do the very best of ideas and technical knowledge.

TAMARKNIT Wear can also be obtained in Men's Golf Hose, Ladies' Jumpers and Coats, Underwear, and Jersey Cloth in cream and colours.

*TamarKnit Two-Piece Bathing Costume*

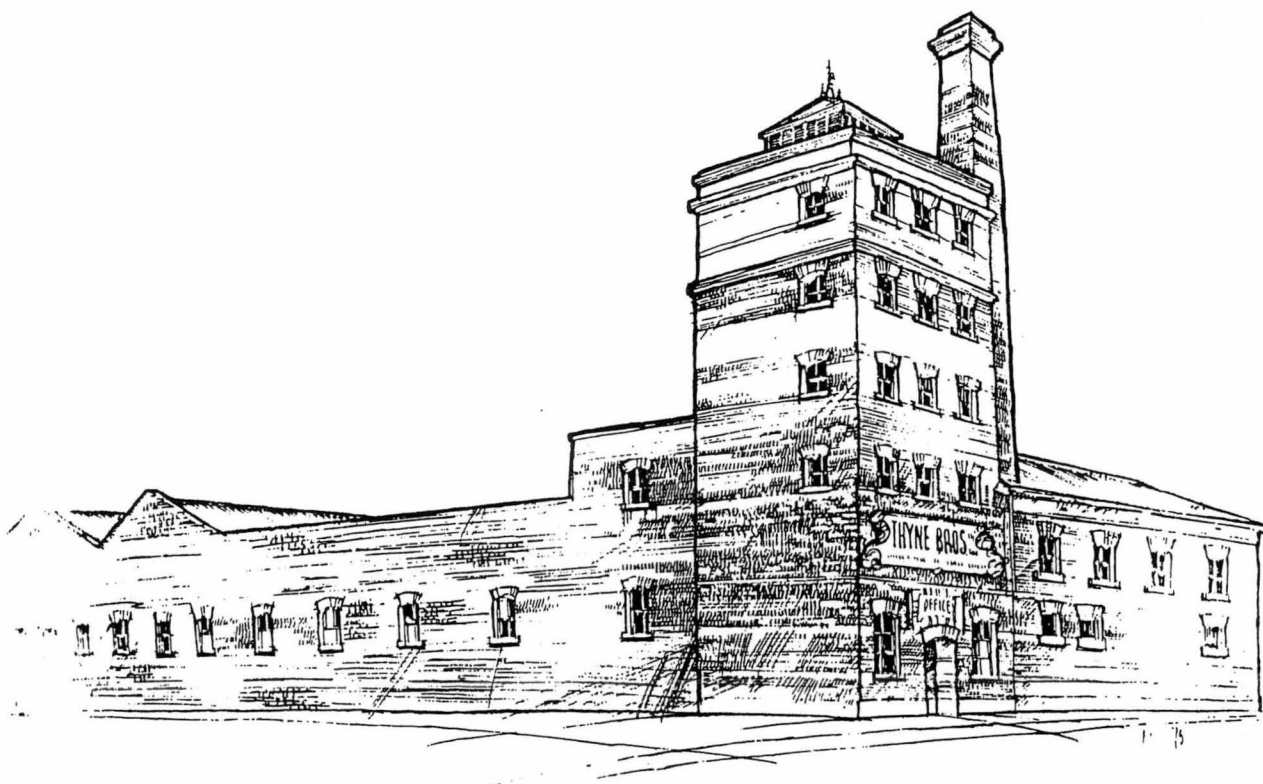
*TamarKnit Pullover and Golf Hose*

*TamarKnit Palm Beach Bathing Costume*

Manufactured by  
**Thyne Bros. Pty. Ltd.**  
214 YORK STREET  
LAUNCESTON

17. Left - A 1927 advertisement for Thyne Bros.' products.

18. Below - The Thyne Bros.' premises.



eventuating by mid-1926 and causing concern for Launceston's textile manufacturers.<sup>103</sup>

Apparently also causing some concern amongst locals during periods of economic hardship was that much of K&K (Tas) and P&B Launceston's wool was purchased outside the State, and even outside Australia - an ironic twist for a country using the availability of wool as an incentive for mills to establish in Australia. In February 1926, for example, P&B Alloa informed P&B Launceston that they would try to supply the mills' request for English Down wool if P&B Launceston could get the requested amount of wool into the State "without setting your Tasmanian Farmers by the ears".<sup>104</sup> Dismissing the desire of locals to see Tasmanian products consumed by industry, Alloa director, Thomas Stirling, suggested that publicists were exaggerating an overseas anthrax scare in order to boost this cause.

Tariff increases occurred too late to impact upon K&K's results for the 1925-26 financial year. With K&K's balance sheet again adverse, local director, Carl Stackhouse, pointed out that this was an Australia wide trend and the past year had been "very depressed" for the woollen manufacturing trade.<sup>105</sup> With wool prices at the start of the year very high, manufacturers had been unable to obtain profitable returns. After a sensational fall in wool prices, buyers had then withheld orders in anticipation of price decreases. Consequently almost all Australian mills had accumulated stock and were subsequently forced to clear at below cost. K&K (Tas) suffered this fate, offering certain stock below cost in April 1926.<sup>106</sup> With orders down in the early part of the year, K&K had also been forced on to short-time. When conditions picked up enough to keep the mill fully occupied, management again could not reach full production as quickly as desired because of difficulties obtaining labour.<sup>107</sup> In hindsight K&K would recall:

The company was born at the most unfortunate time when buildings and machinery were right at their peak, and following quickly on the heels of this disastrous start we encountered an acute depression in trade and exceptionally heavy fall in wool values with the net result that in 1926 preference dividends were 6 years in arrears and there was a debit in the Profit and Loss Account of £16,600.<sup>108</sup>

<sup>103</sup> *Minutes of K&K Directors' Meetings*, 4/6/1926.

G.W. Fulton, Cornwall Coal Company, To Town Clerk, 16/11/1926: Launceston City Council, 21/1.5.

<sup>104</sup> T. Stirling, To ARP, 24/2/1926: P&B, Private Correspondence Ex. Alloa.

<sup>105</sup> *Minutes of K&K Directors' Meetings*, Seventh AGM, 26/5/1926.

<sup>106</sup> *Minutes of K&K Directors' Meetings*, 23/4/26.

<sup>107</sup> *Minutes of K&K Directors' Meetings*, Seventh AGM, 26/5/1926.

<sup>108</sup> *Notes from K&K's Chairman's Speech for Fifteenth AGM*, 19/9/1934.



P.M. Hart, a long-time employee of K&K (Tas) and grandson of original director, Percy Hart, recalls the severity of the company's financial constraints during this early period, and the extremes to which the company went to save money. When the company engineer, Sam Tuting, asked management for a small amount of screws to complete a job, Noel Walsh allowed him to purchase only the exact amount required. While Les Overstall replaced Walsh as K&K (Tas)'s general manager in 1926, conditions ensured managerial attitudes remained much the same and, according to Hart, led to Overstall being "tight all the time" - a characteristic also credited to his English upbringing.<sup>109</sup>

Increased tariffs did, however, have a positive effect at P&B Launceston by 1926. For the 13 months ended March 1926, P&B Launceston transferred a balance of £29,151 to central office.<sup>110</sup> In contrast, P&B Ltd's English mills were on short-time, competition was "cut-throat", there was practically no profit margin,<sup>111</sup> and profit for the entire group had declined to £33,408 for the 1925-26 financial year.<sup>112</sup> With little other positive news to relate in its annual report, P&B Ltd made special reference to recently building and equipping their Launceston mill at a cost of £260,000. They also mentioned that, because Australian supplies were now provided by the Launceston mill, P&B (Australasia) Ltd could hold less stock than previously necessary when all goods were shipped from England,<sup>113</sup> a saving for the company.

Privately P&B Launceston's £260,000 price-tag was causing concern. In August 1926 P&B Alloa raised with P&B Launceston recent comparisons between costs at both mills. Launceston's heat, light and power were "very economical", labour costs were only 0.86d. per lb. more than at Alloa, and materials used were more expensive in Launceston "owing to freight outwards" (which deepened the irony that ready access to wool had been pushed as an incentive for woollen manufacturers to establish in Australia). The outstanding feature of the analysis, however, was

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<sup>109</sup> Interview with P.M. Hart, 24/11/1995.

<sup>110</sup> Trading account for 13 months ended 31/3/1926: P&B Trading accounts & balance sheets, 1923-36.

<sup>111</sup> Artificial silk was also beginning to impact upon woollen manufacturers. The company was, however, still able to offer a 5% dividend on ordinary shares by again transferring reserve funds. P&B Ltd, Report of Proceedings at the Seventh Annual Meeting of Shareholders & Special Meeting of Shareholders, 21/7/1926.

<sup>112</sup> P&B Ltd, Seventh Annual Report & Balance Sheet, 30/4/1926.

<sup>113</sup> P&B Ltd, Report of Proceedings at the Seventh Annual Meeting of Shareholders & Special Meeting of Shareholders, 21/7/1926.

Launceston's heavy interest and depreciation costs, due to the cost of machinery and high freight charges, coupled with "perhaps a rather costly style of Mill Building".<sup>114</sup> With Tasmanian yarn production costing 4.75d. per lb. more than at Alloa, virtually the entire difference was attributable to the interest and depreciation figure. Predicting this would be "a millstone around our neck", and that Launceston could not compare favourably until this figure was reduced, Alloa saw only two ways of overcoming the problem. First was to achieve a high productive efficiency and output, spreading the costs over more income per year: aims made difficult by problems of securing orders and maintaining full production. The second was to drastically write down capital charges "when a good year [came] along". A substantial one-off depreciation write-down to bring the Launceston mill to a satisfactory level was eventually made by P&B Ltd in 1933-34.<sup>115</sup>

P&B Launceston was also visited by Alloa director, John Forrester-Paton in October 1926. At a farewell reception arranged by the Launceston Chamber of Commerce,<sup>116</sup> Forrester-Paton claimed that P&B Ltd viewed the establishment of their Launceston mill "as a big experiment" which had "been perfectly justified",<sup>117</sup> a contradiction to concerns about cost structures at the mill. Taking "an optimistic view of the future", Forrester-Paton would have won local favour by looking forward to a time when the Glen Dhu Mills would be double their present size. The initial steps towards realising this prediction came with the company's first expansion in the 1926-27 financial year.

Reliance Worsted Mills were also expanding in 1926, purchasing new machinery from England in early January and bringing out another English operative to train locals in its use.<sup>118</sup> Although Company director J.J. Broomby later claimed that the period since establishment in 1924 had "passed with very satisfactory results",<sup>119</sup> Reliance's expansion was motivated by necessity. In December 1926 Broomby told how the business was growing so rapidly that that the company was being affected by

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<sup>114</sup> T. Stirling, To ARP, 31/8/1926: P&B, Private Correspondence Ex. Alloa.

<sup>115</sup> P&B Ltd, Report of Proceedings at Sixteenth Annual Meeting of Stockholders, 17/7/1935.

<sup>116</sup> Launceston Chamber of Commerce Executive Committee, 21/10/1926: Minutes 8/3/1917-19/6/1930.

'Manufacturer farewelled', undated press cutting: Launceston City Council, 21/1.5.

<sup>117</sup> 'Manufacturer farewelled', undated press cutting: Launceston City Council, 21/1.5.

<sup>118</sup> Immigration Officer, To Director of State Immigration, 5/1/1926: SWD4 M9/601.

Director of Labour & State Immigration, To Townsend, Reliance Worsted Mills, 9/3/1926: SWD4 M9/601.

inability to purchase new equipment. With six months business lined up, Reliance were forced to turn down several large orders through inability to cope. Broomby therefore applied through Premier Lyons for a £5,000 loan from the Development and Migration Commission (an agency just established by the federal government) to purchase additional machinery, including a finishing plant. Reliance wished to take advantage of a British Government scheme whereby Dominion Manufacturers could acquire 10 year loans at 1% interest, provided British machinery was purchased and the company employed British migrants. Demonstrating a willingness to comply with criteria, Broomby pointed out that existing plant was English-manufactured and that he and a number of the company employees were English migrants.<sup>120</sup> Broomby's request was, nevertheless, rejected because the British government deemed private companies ineligible.<sup>121</sup> While the mill would eventually acquire its finishing plant in 1928,<sup>122</sup> inability to expand when necessary might have influenced the venture's ultimate demise.

By 1927 prospects were finally looking up for both companies under consideration, the tariff's impact now being felt. K&K (Tas) recorded a net profit of £10,163 for the 1926-27 financial year, reducing its deficit to £6,455. This outcome was particularly pleasing considering ongoing difficulties retaining labour, and that six of the 15 month period covered by the accounts included unremunerative orders booked during the "previous depression".<sup>123</sup> With demand exceeding supply, K&K had not only been able to sell their entire output, but merchants had taken delivery upon manufacture. To help cater for increased demand, K&K (Tas) had also expanded, extra looms running since January and some machinery working more than one shift. Orders had also been taken up until the following April, as far forward as deemed safe due to impending legislation to reduce the working week. Believing that improved labour efficiency had aided results, K&K (Tas)'s directors congratulated management and foremen on increased output, believing "we are getting the utmost possible from our available plant at present" - possibly as much an indictment of the company's plant as a compliment to staff. According to an English textile mechanic engineer, A.E.

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<sup>119</sup> J.J. Broomby, Director, Reliance Worsted Mills Pty Ltd, To Lyons, 1/12/1926: PD1 22/3/26.

<sup>120</sup> Broomby, To Lyons, 1/12/1926: PD1 22/3/26.

<sup>121</sup> Premier Guy, To J.J. Broomby, 10/12/1926: PD1 22/3/26.

<sup>122</sup> *Courier Christmas Annual*, 5/11/1930.

<sup>123</sup> *Minutes of K&K Directors' Meetings*, Eighth AGM, 17/8/1927.

Briggs, during his July 1927 Australian visit, Australia had an advantage over the English textile manufacturers. Not only did Australia have the best wool available close to manufacturing centres (the purchasing habits of our two companies notwithstanding) but Australian factories installed the latest machinery, while many English textile plants were using out of date machinery and were not in a position to upgrade.<sup>124</sup> While this may have been true for P&B Launceston, K&K (Tas), had been handicapped by originally purchasing much second hand machinery. Its continuing lack of capital meant that the mill often had to improvise or make do. K&K (Tas)'s first boiler, for example, was a single furnace which lost pressure when raked out. A two furnace boiler was added, but within a couple of years again did not have enough capacity. With little hope of a replacement, engineer Sam Tuting located a discarded mining wood fire burner in the bush, transported it back to the mill, and adjusted it to handle coal. These three boilers were not scrapped until the 1960s, when a new automatic model was finally installed.<sup>125</sup>

Unaware of problems with some antiquated machinery, K&K (Tas)'s shareholders were simply gratified the company had turned a corner and were in sight of substantial profits. Shareholder, W. Martin, inquired whether dividends might be paid the following year. The chairman felt this was a distinct possibility; another shareholder pointing out that while shareholders would naturally like to see a return on their investment, comfort could meanwhile be taken from the industry being "of great benefit to Launceston".<sup>126</sup>

P&B Ltd's Chairman, William Procter, was likewise pleased with P&B Launceston's results. Transferring a balance of £52,024 to the capital account for the 12 months ended March 1927,<sup>127</sup> the final figure showed a profit of around 5% of total capital investment for 1926-27 financial year. Maintaining that this figure was currently satisfactory, Procter added that P&B Launceston should look for better returns in the future, and predicted that when the mill achieved full output "a very satisfactory profit should result".<sup>128</sup> Shareholders at P&B Ltd's 1927 AGM were thus told that the Launceston mill was "still carrying on successfully", and directors

<sup>124</sup> *West Australian*, Perth, 18/7/1927: Launceston City Council, 21/1.7.

<sup>125</sup> Interview with P.M. Hart, 1/11/1996.

<sup>126</sup> *Minutes of K&K Directors' Meetings*, Eighth AGM, 17/8/1927.

<sup>127</sup> Trading account for 12 months ended 31/3/1927: P&B Trading accounts and balance sheets, 1923-36.

<sup>128</sup> Managing Accountant, To ARP, 9/5/1927: P&B, Private Correspondence Ex. Alloa.

reiterated Forrester-Paton's claims to Launceston residents the previous year, "that the policy of laying down plant in Australia [had] been fully justified".<sup>129</sup> Shareholders were also told that increases in subsidiary shares and advances were "entirely due to increased business done by the Melbourne based Australasian distributing Company", the distributor of P&B Launceston's product. With a successful year achieved, extensions were being made at P&B Launceston by mid-1927.<sup>130</sup> Floor space was increased by a further 32,880 sq. ft., the first step in an on-going expansion programme which would see the mill almost treble in size by 1966; from 234,605 sq. ft. at the start of production, to 648,090 sq. ft.<sup>131</sup>

While an improvement was also evident in P&B Ltd's results (profits for the year ending April 1927 up to £160,748),<sup>132</sup> the British textile industry was still struggling. Shareholder, W. Morison, recognised the complexity of this issue at P&B Ltd's 1927 AGM. Bemoaning British manufacturers' "habit" of "crying out for assistance from the state", he suggested the cause of Britain's current situation lay in several directions. One was the "laying down of large plants and machinery abroad", increasing costs and competition, both abroad and at home - implying that the British textile industry, including P&B Ltd, had to accept some responsibility for their own problems.

For small local mills attempting to compete against large British concerns, problems were even greater, Reliance Woollen Mills providing a good example. Not only did Reliance Worsted Mills' lack of capital make it difficult for the company to expand, but its small size made it harder to attract the same sorts of concession granted to the larger mills. In November 1927 Reliance informed the mayor of its intention to expand by adding a finishing plant for worsted suitings. They had tried to borrow money to purchase the same plant the previous year. Claiming this plant would consume "a fair quantity of water", Broomby requested the same treatment given to other Launceston mills, namely free water for a period of years.<sup>133</sup> He also pointed out that the new plant would increase employee numbers and allow considerable future expansion, in turn further increasing employment. When pushed on exactly how many

<sup>129</sup> P&B Ltd, Report of Proceedings at the Eighth Annual Meeting of Shareholders, 20/7/1927.

<sup>130</sup> W.T. Procter, To ARP, 28/6/1927: P&B, Private Correspondence Ex. Alloa.

<sup>131</sup> 'Historical & General Aspects of P&B Mill Launceston', Miscellaneous Information held by CP.

<sup>132</sup> P&B Ltd, Eighth Annual Report & Balance Sheet, 30/4/1927.

<sup>133</sup> Broomby, To Mayor, 11/11/1927: Launceston City Council 21/1.7.

new jobs would be created,<sup>134</sup> Broomby said that the new plant would employ only an extra six hands, adding that he hoped to double that number as business increased.<sup>135</sup> While it is uncertain whether the concession was granted, it is unlikely: K&K and P&B's concessions were made in relation to hundreds of new jobs.

Although generally a positive year for both K&K (Tas) and P&B Launceston, 1927 ended on a sour note. Tasmania was again isolated through industrial action. Upon hearing that a docking strike was under way in December, P&B Alloa feared its Launceston mill was being placed in an "awkward and difficult position", and expressed hope of an imminent settlement.<sup>136</sup> For K&K (Tas), at least, the strike appeared to cause little difficulty apart from briefly postponing a delivery of flannel to Sydney.<sup>137</sup>

While demand for woollen goods outweighed supply in 1927, by 1928 conditions were again increasingly competitive. Although in the autumn months directors pondered the very keen competition then prevailing within the industry, they also cut down an order for blankets from 14,000 pair to 5,000.<sup>138</sup> With an increase in wool prices reducing profit margins,<sup>139</sup> K&K (Tas)'s decision to accept only part of this order may have been due to a reluctance to accept large orders at low prices. Conversely, buyers were keen to place orders before prices rose. The Associated Woollen and Worsted Textile Manufacturers new price list was also due within a month of this decision, and price increases to their list were a possibility. Although K&K had withdrawn from the Association in 1925, it appears as if they continued to base their minimum price upon Association prices. With competition severe, the Association's minimum price could only have allowed minimal profit. Undercutting would have provided little return, and charging higher rates would have been suicide. When the Association's price list was released, however, there was no change from the previous year, with the exception of a 3d. per lb. increase for blankets and a small advance on fine flannel prices. This was despite the fact that wool costs had increased between 33% to 50% over the last season.<sup>140</sup> Despite already being concerned about

<sup>134</sup> Town Clerk, To Broomby, 13/12/1927: Launceston City Council 21/1.7.

<sup>135</sup> Broomby, To Town Clerk, 16/12/1927: Launceston City Council 21/1.7.

<sup>136</sup> W.T. Procter, To ARP, 5/12/1927: P&B, Private Correspondence Ex. Alloa.

<sup>137</sup> *Minutes of K&K Director' Meeting*, 3/12/1927.

<sup>138</sup> *Minutes of K&K Directors' Meetings*, 21/4/1928.

<sup>139</sup> *Minutes of K&K Directors' Meetings*, 5/5/1928.

<sup>140</sup> *Minutes of K&K Directors' Meetings*, 24/5/1928.

low returns, in early June K&K (Tas)'s national selling agent, J. Baragwanath, informed the company their prices were too high to secure early bookings.<sup>141</sup> Over-supply continued to force prices down. K&K (Tas) decided not to reduce its prices at this time, but within weeks Baragwanath reiterated his claim, pointing out that the order position was becoming serious. Non-Association mills were reported to be booking 'union'<sup>142</sup> and all wool flannels at 2.5d. per lb. below Association prices and blankets at 4d. below - this observation again suggesting that K&K (Tas) had continued to adhere to Association prices. While K&K (Tas) again decided not to issue a reduced price list, they did authorise Baragwanath a small margin of leeway when securing an order looked possible.<sup>143</sup> Since this decision was made at stock-take time of year when orders were generally delayed, K&K (Tas)'s order position did not immediately improve, although they were able to continue working full time in July.<sup>144</sup>

The impact of these many problems would not, however, be manifest in company results until the following year. Shareholders at K&K (Tas)'s August AGM were instead told that maximum output and volume of business had been maintained throughout the past year. They were also informed that prices had been remunerative, with K&K (Tas) "working under better conditions than ever before".<sup>145</sup> K&K (Tas) had even been considering expansion earlier that year. R.C. Roe, the English Director involved in the mill's establishment, had again visited Launceston in March 1928,<sup>146</sup> this time to investigate all K&K (Tas)'s departments. Extensions would proceed as soon as conditions were "deemed satisfactory".<sup>147</sup> Satisfied with the mill's progress,<sup>148</sup> Roe was reputedly "both pleased and disappointed" to find he was able to do so little - "pleased because the problems of the Mill had been tackled so well and disappointed because he felt he had not fully justified the expenditure incurred by his visit".<sup>149</sup> K&K

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<sup>141</sup> *Minutes of K&K Directors' Meetings*, 9/6/1928.

<sup>142</sup> The term 'union' indicates flannel made from two different kinds of yarn.

<sup>143</sup> *Minutes of K&K Directors' Meetings*, 23/6/1928.

<sup>144</sup> *Minutes of K&K Directors' Meetings*, 7/7/1928.

<sup>145</sup> *Minutes of K&K Directors' Meetings*, Ninth AGM, 3/8/1928.

<sup>146</sup> *Minutes of K&K Directors' Meetings*, 17/3/1928.

<sup>147</sup> *Minutes of K&K Directors' Meetings*, 5/5/1928.

<sup>148</sup> *Minutes of K&K Directors' Meetings*, Ninth AGM, 31/8/1928.

<sup>149</sup> *Minutes of K&K Directors' Meetings*, 24/5/1928.

If Roe had felt the need to apologise for achieving little, by the time of the next English directorial visit from K&K (Tas)'s former general manager, J.N. Walsh in 1933, he made "no apology for the absence of tangible benefits from his visit". Claiming "Such benefits should accrue from re-awakened interest", Walsh maintained that visits from somebody were periodically necessary "as long as the home firm maintained even a nominal control in Tasmanian affairs".

*Minutes of K&K Directors' Meetings*, 13/5/1933

(Tas)'s results for the 1927-28 financial year saw a net profit of £12,026, and a disposable balance of £5,570. Believing the company had finally "turned the corner" and that results justified the establishment of the Launceston mill, preference shareholders were "very gratified" to receive their first dividend, along with back payment of preference dividends for the first two broken periods from October 1920 - March 1921 and March 1921 - March 1922.<sup>150</sup>

Shareholders were not, however, happy with a decision to deduct income tax from dividends, seeing this as placing a double tax upon them.<sup>151</sup> Acknowledging that the "general practice" in Australia was not to do so, directors believed that their information deemed that this was a matter of law.<sup>152</sup> After seeking local legal consultation, Tasmanian directors referred the matter to their English counterparts. The matter was then placed before counsel, who decided that income tax should be deducted, and advised that there was a fairly simple procedure under the Companies' Act by which shareholders could take the matter before the courts if dissatisfied.<sup>153</sup> After much debate, a compromise was accepted in which the report and accounts would be adopted, and if the company were wrong, the matter be adjusted later. Although shareholders continued to voice their protests over subsequent months, directors confirmed their decision at the year's end and advised that shareholders must take the matter to court if they wanted the policy altered.<sup>154</sup> When discussed at the following AGM, it was explained that, after receiving further judicial advice and placing the matter before the board of directors, the expense of continuing with the matter was not justified.<sup>155</sup> As the woollen industry had since taken another downturn, most shareholders saw the futility in pursuing this matter. The issue did continue to cause ill-feeling, William Baird (an employee of the Launceston Stock exchange)<sup>156</sup> refusing to accept his dividend because of the income tax deduction.<sup>157</sup>

<sup>150</sup> *Minutes of K&K Directors' Meetings*, Ninth AGM, 31/8/1928.

<sup>151</sup> Shareholders claimed that K&K (Tas) was the only Australian company following this practice. The company pointed out that there was one other - hardly strengthening their case.

<sup>152</sup> *Minutes of K&K Directors' Meeting*, K&K, 3/3/1928.

<sup>153</sup> *Minutes of K&K Directors' Meetings*, Ninth AGM, 31/8/1928.

<sup>154</sup> *Minutes of K&K Directors' Meetings*, 8/12/1928.

The issue was also discussed by directors at most meetings in the months leading up to this date.

<sup>155</sup> *Minutes of K&K Directors' Meetings*, Tenth AGM, 28/8/1929.

<sup>156</sup> Baird had been a long-time manager of the Bank of Tasmania's Launceston branch, joining the Launceston Stock exchange in 1925.

*A Biographical Register 1788-1939*.

<sup>157</sup> *Minutes of K&K Directors' Meetings*, 18/6/1930.



The luxury of arguing over profit distribution was short-lived. In announcing its first dividend payment in July, K&K also noted a falling away of woollen goods trade throughout the Commonwealth. This was largely attributed to a general trade depression which had been particularly marked on the mainland in recent months; the implication was that Tasmania had fared better than other states. The Chamber of Commerce took this claim one step further in October that year, pointing out that the Launceston district "had stood up to the recent trade depression better than any other portion of the state".<sup>158</sup> In contrast, Victoria's Warnambool Woollen Mills (the catalyst for K&K (Tas)'s withdrawal from the Textile Manufacturers Association) reported that its business had been badly affected by the 1927-1928 slump.<sup>159</sup> With many mills across Australia forced on to short-time, K&K (Tas) soon joined the trend.<sup>160</sup> By August the fluctuating wool market was again causing problems, with wool prices steadily increasing and flannel and blanket wool showing marked advances.<sup>161</sup> Short-time at K&K continued into October at which time an order equivalent to over 1,000 pieces was received and the company decided to work up to full production.<sup>162</sup> The reversion from short-time to full-time production yet again caused problems.

In line with K&K (Tas)'s positive results for the 1927-28 financial year, P&B Launceston was likewise "going on satisfactorily".<sup>163</sup> Increasing yarn demand had led to the installation of extra machinery at the Launceston mill, and a 14,200 sq. ft. wool store extension was added. This involved the addition of two extra stories on to the

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In mid-1930 Baird finally requested the return of this Dividend Warrant. The company obliged. Dissatisfaction with deduction of income tax from dividends re-emerged intermittently in future years. In late 1934 a solicitor representing Mr. A.R. Dudfield, sent a circular to preference shareholders seeking support to test directors' actions on this issue. Dudfield's family company had been K&K (Tas)'s original product distributor, their Agency Agreement terminated from 31 March 1928 and the local distributorship given to P.O. Fysh & Co. (1920) Ltd., Launceston. The company responded to Dudfield's action by sending a letter to shareholders explaining the company's position; the practice continuing throughout the company's life irrespective of local custom or desires. *Minutes of K&K Directors' Meeting*, 19/12/1934; & Records of P.O. Fysh & Co., held at Launceston Library, LMSS 050.

<sup>158</sup> The Chamber pointed out that new secondary industries had actually been established in the midst of this, Rapson being the most notable, with "several" textile firms also considering establishing manufacturing plants in the city (although none eventuated).

Launceston Chamber of Commerce AGM (press cutting), 4/10/1928: Minutes 28/10/1915-29/11/1937.

<sup>159</sup> 'Warnambool Woollen Mills', 16/11/1928: CP Press Cuttings, 'K-Z'.

<sup>160</sup> *Minutes of K&K Directors' Meetings*, Ninth AGM, 31/8/1928 & 18/8/1928.

<sup>161</sup> *Minutes of K&K Directors' Meetings*, Ninth AGM, 31/8/1928.

<sup>162</sup> In September the manager had informed directors that the company had around 15 weeks orders on hand at the current short-time rate of production, and decided to carry on as is.

*Minutes of K&K Directors' Meetings*, 29/9/1928 & 13/10/1928.

front office building for warehouse purposes.<sup>164</sup> Deciding to preserve the existing 150 ton, 130 x 100 ft. roofing structure, the roof was gradually raised in stages by 30 manually operated jacks. After each rise, builders constructed to the new level, the process repeated until the roof was 30 ft. higher than originally positioned. Local builder, Joe Mackrill, headed these operations. Sitting in a swivel chair in the middle of the building to gain the best view, Mackrill would blow a whistle signalling his team to begin raising in unison<sup>165</sup> - a sign of great confidence on his part and the sort of behaviour focussing public attention upon signs of progress within the city during a time of general economic depression.

Although K&K (Tas) had experienced a fall off in trade in late 1928, business at P&B's Launceston mill remained hectic up until early 1929.<sup>166</sup> There were also signs of improvement for P&B Ltd, recording a profit of £237,221 for the year ended April 1928.<sup>167</sup> Paying a 10% dividend to ordinary shareholders (and in this case no income tax was deducted!), it was noted that, despite the difficult times experienced in recent years, ordinary dividends had averaged 11.25% gross return for the last eight years. P&B Ltd also became involved in its second overseas venture in the financial year ended July 1928. They purchased an already operational company in Toronto by the name of Aked & Co, Ltd, which was "one of the best known and most successful businesses of Worsted Spinners in Canada". P&B claimed to have long been interested in the Canadian market.<sup>168</sup> With distance from this market "an increasing handicap", the purchase was intended to be the nucleus for further developing the Canadian market.

As indicators in the latter half of 1928 suggested, conditions for the textile industry were bleak in 1929. K&K (Tas) did manage to end the 1928-29 financial year in the black, although no dividend was paid. Directors described the past financial year as a lean one for Australian flannel and blankets, explaining that orders were difficult to secure because a general depression in the trade had led to over-production as mills attempted to continue on full time. With most mills in K&K's field forced to curtail

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<sup>163</sup> P&B Ltd, Report of Proceedings at the Ninth Annual Meeting of Shareholders, 18/7/1928.

<sup>164</sup> 'Historical & General Aspects of P&B Mill, Launceston, 23/5/1969': Miscellaneous material held by CP.

<sup>165</sup> Dennis Hodgkinson, *A Sandhill Story*, p.12b.

<sup>166</sup> J. Forrester-Paton, To ARP, 19/2/1929: P&B, Private Correspondence Ex. Alloa.

<sup>167</sup> P&B Ltd, Ninth Annual Report & Balance Sheet, 30/4/1928.

<sup>168</sup> P&B Ltd, Report of Proceedings at the Ninth Annual Meeting of Shareholders, 18/7/1928.

output and temporarily revert to short-time, K&K (Tas) saw themselves as fortunate, in that the period of short-time they had worked was less than most of their competitors. The chairman at K&K (Tas)'s 1929 AGM told shareholders he was not "justified in being optimistic to the current year's prospects", citing the continued difficulty in securing trade and labour troubles for his lack of confidence.<sup>169</sup> Figures do not, however, always tell the true story. In July 1929 K&K (Tas) chose to repay in total a £5,000 debt to K&K Rochdale, plus £4,000 and £570 respectively to the Tasmanian Finance Agency and Company Ltd and Messrs Martin Shields and Heritage, "thereby repaying all deposits held by us".<sup>170</sup> It is uncertain whether this influenced the 1928-29 or 1929-30 results, but would certainly have affected the balance sheet for either year.

By contrast, the atmosphere surrounding P&B Launceston in early 1929 was positive. Despite a slackening of trade by February, management saw no difficulty keeping the mill running full time until the next push.<sup>171</sup> P&B Ltd was even considering expansion into other Australian centres at this time. At P&B Ltd's request, Launceston manager, Arthur Procter, made a trip to Melbourne and Sydney to inquire about factory sites, electricity charges, and so forth, claiming to be impressed with the volume of business done in those centres. With the company showing a willingness to invest in further expansion and the Launceston mill still busy in April, Arthur Procter suggested certain alterations be made at P&B Launceston.<sup>172</sup> Precisely what alterations were requested was unspecified, but additions to plant and buildings valued at around £64,000 were under-way in the latter half of the year<sup>173</sup> and into 1930.

Keeping watch on Launceston's production figures was P&B Westbridge in Leicester which, in March 1929, anticipated sending P&B Launceston "very hearty

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<sup>169</sup> *Minutes of K&K Directors' Meetings*, Tenth AGM, 28/8/1929.

<sup>170</sup> *Minutes of K&K Directors' Meetings*, 2/7/1929.

<sup>171</sup> J. Forrester-Paton, To ARP, 19/2/1929: P&B, Private Correspondence Ex. Alloa.

<sup>172</sup> ARP, To J. Forrester-Paton, 16/4/1929: P&B, Private Correspondence Ex. Alloa.

Upon first taking up the position at Launceston, Arthur had expressed dissatisfaction with the arrangement of some of the buildings. Alloa based director, William Procter, had also not approved of the original plans but because some of the disputed areas had "embodied" another director's ideas the company had deemed it prudent to allow "some of his pet schemes without alteration". Arthur was therefore told that the situation was unfortunate, but to make do.

W.T. Procter, To ARP, 6/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>173</sup> From 64 Cameron St, Launceston, To Messrs. Geo S. Hirst & Co Ltd, Batley, England, 25/9/1929: Launceston City Council, 21/1.8.

congratulations on a good years work".<sup>174</sup> Praise was not forthcoming, however, since the Launceston mill's results for the 1928-29 financial year were disappointing. As the factory had been running "fairly continuously at full output", P&B Alloa felt that a much higher profit than the previous year had been expected.<sup>175</sup> Since the previous year, the gross profit had fallen from £141,000 to £86,000. The parent company had expected the figure to be around £100,000.<sup>176</sup> P&B Launceston mill's disclosed profit for the 1928-29 financial year was therefore only £13,664.<sup>177</sup> While acknowledging that profitability had been affected by wool values falling during the year, Alloa felt there was no justification for the difference between actual result and reasonable expectations.<sup>178</sup> Concluding that P&B Launceston's results were due to an error in stocktaking, P&B Alloa asked for immediate clarification.<sup>179</sup> Unable to find any errors in their calculations, the only explanation Procter could offer the parent company was that insufficient selling prices had been charged.<sup>180</sup> Privately Procter appears to have laid some blame upon William Stewart, manager of P&B (Australasia).<sup>181</sup> Although providing no explanation as to why this might have been the case, the relationship between these two men had long been strained. Despite dissatisfaction with P&B Launceston's financial results that year, shareholders at P&B Ltd's 1929 AGM were told that both the Launceston and Toronto Mills had been fully occupied throughout the year, and again that "our ventures in both directions have been fully justified".<sup>182</sup>

P&B Ltd's chairman of directors, William Procter, also visited Launceston in late 1929. Procter's visit may have been motivated by a number of reasons - concern over the mill's profit figures that year; the desire to view the extensions currently under way; or simply to familiarise himself with the mill, earlier admitting to difficulty

<sup>174</sup> P&B Westbridge, Leicester, To ARP, 26/3/1929: P&B, Private Correspondence Ex. Alloa.

<sup>175</sup> Accountant, P&B Alloa, To ARP, 5/6/1929: P&B, Private Correspondence Ex. Alloa.

<sup>176</sup> Accountant, P&B Ltd, To ARP, 5/6/1929: P&B Correspondence from Alloa, 1929-1934.

<sup>177</sup> Trading account for 12 months ending 31/3/1929: P&B Trading accounts and balance sheets, 1923-1936.

<sup>178</sup> Accountant, P&B Alloa, To ARP, 5/6/1929: P&B, Private Correspondence Ex. Alloa.

P&B Alloa's expectations appear somewhat unreasonable considering that P&B Ltd's profit for the period had fallen to only £133,275, a decline which Alloa attributed to the fluctuating wool market - the same explanation they refused to accept from P&B Launceston. The company was again able to pay a 5% dividend on ordinary shares.

P&B Ltd, Tenth Report & Balance Sheet, 30/4/1929; & P&B Ltd, Report of Proceedings at the Tenth Annual Meeting of Shareholders, 17/7/1929.

<sup>179</sup> Accountant, Alloa, To ARP, 5/6/1929: P&B, Private Correspondence Ex. Alloa

<sup>180</sup> ARP, To P&B, Alloa, 16/7/1929: P&B, Private Correspondence Ex. Alloa

<sup>181</sup> W. Stewart, To ARP, 13/5/1929: P&B Correspondence from Alloa, 1929-1934.

<sup>182</sup> P&B Ltd, Report of Proceedings at the Tenth Annual Meeting of Shareholders, 17/7/1929.

visualising problems described.<sup>183</sup> As done previously for a K&K (Tas) director, the Chamber of Commerce held a function in Procter's honour,<sup>184</sup> and Procter also attended a reception at the Town Hall to meet the mayor and aldermen.<sup>185</sup> At the first of these receptions, Launceston's mayor used the occasion to comment on Launceston's industrial progress during the past decade, quoting figures on the number of new buildings and the costs thereof.<sup>186</sup> With unemployment high and no real prospect of new industries establishing, the mayor's claims appeared hollow. The Council had achieved little success in encouraging further development within the city since the early years of the decade. The year ended on a positive note for the textile industry, however, with general tariff increases raising protection to an almost prohibitive level.<sup>187</sup>

While the Council was able to do little to assist the economic health of its region during the late 1920s, one way in which the State government could provide assistance to industry during difficult economic times was to give preferential treatment to local companies over inter-state rivals in tendering for government contracts. At least one Launceston textile manufacturer benefited from this practice in the 1920s. In October 1929, T.S. Nettlefold, chairman of directors of Cement Distributors Pty Ltd, wrote to Premier J.C. McPhee regarding the tendering process in Tasmania. Despite tendering the same price as a Victorian company for a contract with the Ballarat Council, Nettlefold's company had lost. Ballarat Councillor, A. Bell, had declared himself "adverse to giving the Tasmanian companies any business" after a Tasmanian manufacturer had been awarded a government contract despite a Ballarat Woollen Manufacturer submitting a lower tender.<sup>188</sup> Nettlefold told McPhee that Bell's claims needed investigation because such actions were "in direct contradiction of the policy laid down by you, that preference must not be given to State manufacturers".<sup>189</sup> An investigation revealed that Launceston's Reliance Worsted Mills had been awarded a government railway contract in May 1928, despite Ballarat Woollen and Worsted

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<sup>183</sup> W.T. Procter, To ARP, 6/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>184</sup> Town Clerk, To Secretary, Launceston Chamber of Commerce, 30/11/1929: Launceston City Council, 21/1.8.

'Statement by Mayor', (undated press cutting): Launceston City Council, 21/1.8.

<sup>185</sup> W.T. Procter, To Crawford, Town Clerk, 4/12/1929: Launceston City Council, 21/1.8.

<sup>186</sup> 'Statement by Mayor' (undated press cutting): Launceston City Council, 21/1.8.

<sup>187</sup> Colin Forster, *Industrial Development*, p.96.

<sup>188</sup> T.S. Nettlefold, Chairman of Directors, Cement Distributors Pty Ltd, Melbourne, To J.C. McPhee, 26/10/1929: PD1 101/3/29.

Company tendering a marginally lower quote. Secretary to the railway commissioner, C.J. Rollins, pointed out that the following year Reliance had won the contract without preference.<sup>190</sup> Directly contradicting Nettlefold's claims, Rollins maintained:

it is the policy of the present Government, and it was also the policy of the previous Government, to give preference to Tasmanian made goods. For some years a preference of 10% has been allowed to tenders of Tasmanian made goods when dealing with tenders for railway stores.<sup>191</sup>

Suggesting that Rollins' rather than Nettlefold's interpretation of events was correct, the Premier informed Nettlefold that accusations of "undue" preference to Tasmanian manufacturers were groundless.<sup>192</sup> It is also likely that Bell simply used this case as justification to do the same as he criticised the Tasmanian government for doing.

### Problems Caused by Water Quality

One unique event affecting Launceston in April 1929, was the city's worst recorded flood. Arthur Procter outlined the devastation to P&B Alloa and reported early damage estimates at around £1,000,000. Standing 90 ft. above the water level, P&B's Launceston mill escaped unscathed, although the firm did suffer "a considerable amount of damage in respect of a lot of wool and yarn ... in other stores".<sup>193</sup> K&K was also fortunate to escape with little loss. Their mill was totally surrounded by flood waters, cut off from communication with the city, nearly 50% of mill employees had been forced to evacuate their homes,<sup>194</sup> and a number of people were trapped in the mill for two or three days.<sup>195</sup> (See illustration No. 19.) K&K's Tasmanian directors acknowledged their good fortune, and expressed gratitude for the English directors "foresight" in choosing a site above the flood level.<sup>196</sup> The day power supplies were

<sup>189</sup> Nettlefold, To McPhee, 26/10/1929: PD1 101/3/29.

<sup>190</sup> In the 1928 tender the Ballarat company had quoted 10s. 4d. per yard for serge, Reliance 11s. per yard. In 1929, Reliance had quoted 10s. 6d., Ballarat 11s.

Manager, Supply & Tender Department, To Secretary to Premier, 1/11/1929: PD1 101/3/29.

<sup>191</sup> C. Rollins Secretary, Government Railways of Tasmania, Commissioner's Office, Memo to Secretary to Premier, 20/11/1929: PD1 101/3/29.

<sup>192</sup> Premier, To Nettlefold, 28/11/1929: PD1 101/3/29.

<sup>193</sup> ARP, To J. Forrester-Paton, 16/4/1929: P&B, Private Correspondence Ex. Alloa.

<sup>194</sup> *Minutes of K&K Directors' Meetings*, Tenth AGM, 28/8/1929.

<sup>195</sup> Interview with P.M. Hart, 24/11/1995.

<sup>196</sup> *Minutes of K&K Directors' Meetings*, Tenth AGM, 28/8/1929.

More likely, K&K (Tas)'s positioning was good fortune rather than foresight. Other companies were not so lucky. Launceston's other British industry established in the 1920s, Rapson Tyre and Rubber Company, received the flood's full brunt. Operational for just over a year and employing almost 400 people, their factory had been constructed two and a half feet above the highest flood level previously recorded. By July 1929 Rapson's bill for stock lost, damaged machinery and wages paid whilst not producing was estimated at over £10,000 and increasing due to unproductive machinery. With the



19. Launceston during the 1929 flood. Central in the background is Rapson Tyre and Rubber Company. K&K (Tas) is situated in the top left corner.

resumed, K&K's mill was working at 75% capacity, the subsequent day at almost full capacity. Nevertheless, once production recommenced both mills experienced on-going difficulties due to flood-related water contamination. Coming at the height of K&K's delivery season, this led to delays in filling some orders, although they admitted that customers had been very sympathetic to their plight. While flood-related water problems were an extraordinary event, water contamination had plagued both woollen mills throughout the 1920s.

In an attempt to attract industry, Launceston Council made much of the quality of its water supply during this decade. Robert Hogarth was a principal advocate of this cause. When K&K Ltd's representatives were in Tasmania in early 1920, Hogarth claimed that with 40 years experience in the region he knew of no water more suitable for dyeing or scouring,<sup>197</sup> and that "the water ... had much to do with [his company's] success in making good woollens, especially good whites".<sup>198</sup> Hogarth was also used as a reference for other interested textile manufacturers, in 1921 informing Amalgamated Textile Company Ltd of London that Launceston's water was both inexpensive and "equal for woollen goods manufacture to that of England and Scotland".<sup>199</sup>

A constant and pure supply of water was a significant issue for woollen mills. P&B Launceston, the city's largest water consumer, used 25,472,000 gallons in 1928. K&K (Tas) was Launceston's third largest consumer at 13,467,000 gallons for the same period.<sup>200</sup> However, an indication that Launceston's water supply was not all thus claimed became evident before either of the new mills arrived. In early 1919 a newspaper article commented that attention had been drawn "from time to time" to

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situation at crisis point, the company was close to closure, employee wages even being paid by individual directors for two or three weeks to keep the works going - the company's monthly expenditure for wages and salaries being around £6,000. While confident of the company's chances of success, the company requested Council assistance to survive the next few months.

Chairman of Directors, Rapson Tyre & Rubber Co. (Australia) Ltd, To Mayor, 10/7/1929: Launceston City Council, Industries General (1929-29), 21/1.9.

<sup>197</sup> Robert Hogarth, To Acting Town Clerk, 24/2/20: Launceston City Council, 19/4.1.

<sup>198</sup> Robert Hogarth, Managing Director, Robert Hogarth & Sons Ltd., To Acting Town Clerk, 27/2/1920: PD1 179/3/1920.

<sup>199</sup> Acting Town Clerk, To Amalgamated Textiles Co Ltd, London, 14/7/1921: Launceston City Council, Electric Power Enquires for 1920, 1921.

<sup>200</sup> Second largest water consumer for the same period was the railway workshop at 13,467,000 gallons and, demonstrating the high consumption of the three industries mentioned, fourth after K&K was Tasmanian Breweries Pty Ltd at only 4,851,000.

'List of Large consumers of water': Launceston City Council, 21/1.8.



impurities in the Launceston water supply and the need for filtration beds.<sup>201</sup> It was not until the new woollen mills commenced production and problems emerged that installation of a water filtration system was actively pursued. In August 1923 K&K (Tas) invited a Council representative to see the damage caused to its white goods,<sup>202</sup> in particular, through organic matter in the water.<sup>203</sup> In late 1923 Launceston's mayor admitted that, while the city's water supply had been "the envy of other towns" in the past, numerous complaints in recent months had highlighted the necessity of a water purification scheme, and these now began.<sup>204</sup> Maintaining that water discolouration did not greatly affect the general populace and was largely due to abnormally heavy rains,<sup>205</sup> authorities took long to admit that the deleterious effects on woollen goods necessitated action. By mid-1924 K&K (Tas) had made many claims against the Launceston Corporation for damage caused by impure water,<sup>206</sup> maintaining that their company was worse affected by losses than was P&B.<sup>207</sup> The matter was not quickly or easily resolved. Correspondence between K&K (Tas) and the Council on this issue continued for many months, the former claiming compensation and the latter refusing.<sup>208</sup> Despite K&K's suggestion to the contrary, P&B was also suffering. In early 1924 the mill reported to P&B Alloa that, since beginning operations, water problems had prevented them from dyeing certain shades and they could not accurately match their colour charts.<sup>209</sup> Progress on the purification scheme was slow, with the Council admitting in August 1924 that initial forecasts for the scheme's completion had been overly optimistic.<sup>210</sup> Authorities held the compensating boon was that, when completed, Launceston would "have the finest supply of pure water in the world".<sup>211</sup> This proved to be a questionable claim. Launceston's assistant engineer had also told

<sup>201</sup> 'Quantitative exam', 21/3/1919 (press cutting): Launceston City Council, Water Analysis.

<sup>202</sup> White goods was the term used by the mills in the 1920s for white coloured woollen products.

<sup>203</sup> *Minutes of K&K Directors' Meetings*, 3/8/1923.

<sup>204</sup> 'The Progress of Launceston', 12/12/1923: LCC Press Cuttings 18/4/23-19/1/26.

<sup>205</sup> The city had experienced flooding in May 1923, K&K (Tas) reporting that bad weather conditions had upset output at that time.

'Heavy Storm Inundates Launceston', 18/5/1923: LCC Press Cuttings 18/4/23-19/1/26.

*Minutes of K&K Directors' Meetings*, 9/6/1923.

<sup>206</sup> *Minutes of K&K Directors' Meetings*, 4/7/1924.

<sup>207</sup> *Minutes of K&K Directors' Meetings*, 8/8/1924.

<sup>208</sup> *Minutes of K&K Directors' Meetings*, 13/3/1924.

<sup>209</sup> ARP, To P&B Alloa, 28/2/1924: P&B Correspondence, 1923-1924.

<sup>210</sup> Dated 23/8/1924: LCC Press Cuttings 18/4/23-19/1/26.

Initial time-frames had placed completion around May 1924.

ARP, To P&B Alloa, 28/2/1924: P&B Correspondence, 1923-24.

<sup>211</sup> Dated 23/8/1924: LCC Press Cuttings 18/4/23-19/1/26.

P&B's general manager that the required plant was not expected to be particularly expensive.<sup>212</sup> The scheme's progress was, however, further delayed by a battle between the Council and Federal Customs Department over the importation of necessary gear. Choosing a British plant valued at £8,000 less than the only Australian quote received, the Corporation unsuccessfully sought a tariff exemption on its purchase. The Customs Minister explained that an exemption granted for similar plant to a private company was approved because of that company's "industrial importance".<sup>213</sup> The Council believed this was a case of protection "running mad", and responded that the installation of their plant was also of industrial importance, installed primarily for Launceston's textile manufacturers.

Continual delays frustrated P&B's management. In early 1925 P&B Alcoa expressed disappointment that the promised filtration plant would now not be operational by the end of February as expected, and felt that the Corporation had been "very slack" in pushing the work forward and had "rather let us down".<sup>214</sup> Only when the plant became operational in mid-May would P&B Launceston receive "reasonably clear water", finally able to undertake dyeing of delicate shades and bleaching.<sup>215</sup>

Launceston's water troubles were probably accentuated by the volume used in the 1920s. In December 1925 the city engineer revealed that Launceston's winter water consumption, expressed in gallons a head per day, exceeded Sydney's usage by approximately 50% and almost equalled the Melbourne average for an entire year. Putatively half this water was wasted, and the result was a continuous overload on the filtration plant.<sup>216</sup> It is therefore understandable that the system continued to experience problems. In June 1928 K&K (Tas)'s manager again visited the city engineer and requested tests be carried out to ascertain if problems with its white goods were due to the presence of iron in the water. K&K (Tas) also reported that, during the past week, water had been very dirty because the filtration plant had broken down. The Council gave assurances that steps were being taken to ensure no repetition of this problem.<sup>217</sup>

<sup>212</sup> ARP, To John Forrester-Paton, 14/9/1923: P&B Correspondence, 1923-1924.

<sup>213</sup> 'A Tariff Extortion', 28/8/1924; 'Council Filtration Plant', 29/8/1924; & 'Tariff Concessions', 30/8/1924: LCC Press Cuttings 18/4/23-19/1/26.

<sup>214</sup> W.T. Procter, To ARP, 27/1/1925: P&B, Private Correspondence Ex. Alcoa.

<sup>215</sup> ARP, To Stirling, 29/5/1925: P&B, Private Correspondence Ex. Alcoa.

<sup>216</sup> 'Water Consumption', 15/12/1925: LCC Press Cuttings 18/4/23-19/1/26.

<sup>217</sup> *Minutes of K&K Directors' Meetings*, 7/7/1928.

Following flood-related water contamination in 1929, water problems had reached crisis point by early 1930. Water contamination was so bad in February that K&K (Tas) were forced to suspend 120 employees for a week. K&K (Tas)'s general manager, Les Overstall, provided an *Examiner* reporter with a demonstration. He placed a piece of cloth over the mouth of pipes leading into K&K's dye vats, which revealed "an almost incredulous amount of residual matter including pieces of gravel, corroded iron, and pieces of bitumen".<sup>218</sup> At fault this time were badly corroded water mains.

K&K (Tas) approached the Council in April 1930 for compensation "to help defray the expense of a filtration plant" installed by the company to counter on-going problems with the Council water supply. Overstall met with Mayor Monds and the city engineer, the mayor intimating that while there were difficulties in providing cash payments, the Council might consider granting two or three years free water supply.<sup>219</sup> Three years free water was subsequently approved.<sup>220</sup> The following month P&B Launceston's general manager, J.B. White, also met with the mayor to discuss partial reimbursement for a water filtration plant his company had likewise installed to tackle continuing water contamination. White pointed out that during the last year:

we have been severely handicapped by the water which you have been supplying us with and while we realise you have been losing no time arranging to have the council filtration plant put in order, we must point out that our losses due to dirty water have been enormous.<sup>221</sup>

He claimed that P&B Launceston had been unable to accept orders for lighter shades "with any confidence" of being able to deliver, and were regularly required to dye three or four lots of yarn<sup>222</sup> before achieving satisfactory results. Only that week they had stopped dyeing operations altogether "as the water was so dirty that our filter could not cope with it".<sup>223</sup> In light of "severe losses" sustained and the filtration plant's cost, White maintained that three years' free water would be fair compensation. The Council, however, refused to accept any liability or give future guarantees on water quality or colour, instead offering only six months' free water, subject to full settlement

<sup>218</sup> *Examiner* 13/2/1930: LCC Press Cuttings 1926-1930.

<sup>219</sup> *Minutes of K&K Directors' Meetings*, 5/4/1930.

<sup>220</sup> J.B. White, To ARP, 23/10/1930: Alloo Outward Correspondence, 1930-1939.

<sup>221</sup> White, P&B Manager, To Mayor, 15/5/1930: Launceston City Council, Industries General (1930-31), 22/1.5.

<sup>222</sup> A 'lot' of yarn was a quantity not less than 100 lbs.

<sup>223</sup> White, P&B Manager, To Mayor, 15/5/1930: Launceston City Council, 22/1.5.

of claims against the Council.<sup>224</sup> Unhappy with this response, P&B Launceston called attention to a clause in its original water and power agreement.<sup>225</sup> Due to ill-feeling over K&K (Tas)'s lower power rates when original deals were arranged, P&B Launceston had sought assurances of no future differentiation in the treatment of customers "in the same line of business".<sup>226</sup> Stipulating that if prices increased when contracts were renewed, all companies would bear proportional rises, the Council agreed.<sup>227</sup> Aware of the Council's more generous offer to K&K (Tas), P&B referred to this agreement and maintained that if another mill were to be exempted their company should have a legal claim to free water for the same period.<sup>228</sup> The Council subsequently increased its offer of free water to twelve months in full settlement of any claim against them, and the company accepted.<sup>229</sup>

The incident also revealed that P&B's relationship with both K&K and the Council was strained. P&B claimed that a verbal agreement had been made with the Council regarding reimbursement for the new filtration plant, but that Percy Hart had been the "chief snag" in reaching a conclusion.<sup>230</sup> P&B Launceston's new general manager, J.B. White, felt that, as a director of K&K and a Councillor, Hart exerted undue influence upon the Council in favour of his firm and against P&B. He also questioned Hart's profession of "absolute neutrality when textile matters came before the Council", and declared himself "absolutely fed up" with the Council generally and with Hart in particular. White explained to P&B Alloa that Hart was:

a very wealthy man and the power of wealth in Australia is greater than at home. You know the old adage

'Money is honey my little sonny,  
And a rich man's joke is always funny'.

Well I think that it is as true a word as ever spoken, and has some bearing on our case here.<sup>231</sup>

After K&K had been granted three years free water, P&B believed that Hart had spread a number of stories to minimise P&B's chances of acquiring the same. These reputedly included claims which down-played P&B's losses through water damage,

<sup>224</sup> Town Clerk, To Manager, P&B, 1/10/1930: Launceston City Council, 22/1.5.

<sup>225</sup> White, Manager, P&B, To City Corporation, 3/10/1930: Launceston City Council, 22/1.5.

<sup>226</sup> Acting Town Clerk, To P&B, 23/6/1921: Launceston City Council, 19/6.1.

<sup>227</sup> Strike, City Engineer, Memo to Acting Town Clerk, 9/6/1921: Launceston City Council, 19/6.1.

<sup>228</sup> White, Manager, P&B, To City Corporation, 3/10/1930: Launceston City Council, 22/1.5.

<sup>229</sup> Town Clerk, To Manager, P&B, 7/10/1930; & Manager, P&B, To Town Clerk, 9/10/1930: Launceston City Council, 22/1.5.

<sup>230</sup> J.B. White, To ARP, 23/10/1930: P&B Alloa Outward Correspondence, 1930-1939.

<sup>231</sup> J.B. White, To ARP, 23/10/1930: P&B Alloa Outward Correspondence, 1930-1939.

and up-played the “huge profits” being made by the company.<sup>232</sup> Also circulating were rumours that P&B did not intend to put down any further plant in Australia. White believed that such misrepresentations had been detrimental to negotiations. The result was strained relations all around. Hart in particular came under attack. White concluded that he was “an old humbug” and, although the two had only met once, that Hart need never come up to their mill again.

The problems experienced with water also suggested that, in its enthusiasm to attract new industry, Launceston Council often overestimated its ability to cope with industrial problems and demands. One such problem was the environmental damage associated with industry. The Council appeared to have few guidelines governing this issue. In 1927, for example, an unidentified cotton manufacturer was considering establishment in Launceston and inquired about restrictions upon the discharge of effluent into the North Esk. Although purportedly the effluent would not be “of a noxious type”, it was to contain a certain amount of colouring from the dye works; “the nature of this you will no doubt appreciate from the works of Messrs. Baldwins and Patons’ Dye Department”.<sup>233</sup> While P&B Launceston made much of water contamination affecting its operations throughout the 1920s, this seems to have been the only reference to either company so adding to Launceston’s water quality problems. With pollution of the water-ways a matter for the Marine Board, its wardens agreed to use every endeavour to secure establishment of the proposed cotton industry. No restrictions were therefore imposed, “unless of course, the effluent in the opinion of the Board became objectionable”.<sup>234</sup>

Launceston Council also continued to guarantee large water supplies to other manufacturers considering establishment in Launceston,<sup>235</sup> despite problems adequately coping with the ones it had. One example of the Council’s over-extension of its resources is seen in the case of Rapson Tyre and Rubber Company. In April 1927 the company’s consulting engineer told the Council that their estimated water requirements would be from 30,000 to 90,000 gallons per day. The Council failed to confirm this claim. By 1929 the company was using 300,000 gallons per day and, even though Rapson was permitted to pump cooling water directly from the river, the Council

<sup>232</sup> As later seen, P&B actually made a loss for the 1929-30 financial year.

<sup>233</sup> Coulston, To Town Clerk, 2/2/1927: Launceston City Council 21/1.6.

<sup>234</sup> Master Warden of the Marine Board of Launceston, To Mayor, 14/2/1927: Launceston City Council 21/1.6.

filtration plant's capacity was over-taxed several times during January 1929. Supplies had therefore been supplemented with raw water, which the City Engineer predicted "may occasion trouble with the textile people".<sup>235</sup> This was confirmed by the action of both companies to install their own filtration plants early the following year.

### **From Economic Depression to Financial Success: Beyond c.1930**

In 1929 K&K (Tas) director, Carl Stackhouse, had forecast that prospects for the coming year were not good. His prediction was borne out. While working better times than most of their competitors, K&K (Tas) were unable to keep the mill at full production throughout the 1929-30 financial year. At the AGM Stackhouse told shareholders it had been apparent for some time there was more blanket and flannel machinery in Australia than required:

Four years ago the Australian Mills were unable to supply the demand for flannels and blankets, and most firms like ourselves installed additional machinery. Since then the demand has fallen away ... and the position today is that the Australian market cannot absorb the production of which the mills are capable when working at full capacity and as will be obvious, the export market is closed to us on account of the comparative high cost of production in Australia.<sup>237</sup>

The result was keen competition, unremunerative prices and short-time. Although customers were giving K&K (Tas)'s flannels and blankets a pleasing reception, they were only ordering "hand to mouth". Reduced demand was blamed on a number of factors, including fashion changes which had seen a high demand for dress flannel fall away in the previous two years. More significantly, high wool values and wages had increased the cost of blankets and flannel. Blankets had become an expensive article and the public were resorting to cheaper alternatives such as imported eiderdown quilts. Low prices were also essential to foster trade in domestic flannel for underwear. Stackhouse was, nevertheless, hopeful of an imminent improvement.<sup>238</sup>

With the plain flannel trade over-machined, the recent tariff alterations had allowed K&K (Tas) to begin addressing some of its problems. As tariff increases had virtually eliminated import competition in some lines by rendering the imported article

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<sup>235</sup> For example see Coulston, To Town Clerk, 2/2/1927: Launceston City Council, 21/1.6.

<sup>236</sup> City Engineer, Memo to Works Committee, 25/11/1929: Launceston City Council, 21/1.9.

<sup>237</sup> *Minutes of K&K Directors' Meetings*, Eleventh AGM, 10/9/1930.

<sup>238</sup> Wool prices had slumped and there were signs of a revival for flannel as a dress material. Stackhouse also believed that the inferiority of alternatives to blankets would soon be recognised and, that despite recent labour troubles and unemployment affecting one of the company's major markets (the man in heavy industry), flannel was the cheapest woollen material and worthy of consideration in hard times.

“more or less prohibitive”, K&K (Tas) had turned a portion of its production to the fancy flannel trade and were offering several new lines.<sup>239</sup> The mill had also made many improvements and alterations aimed at decreasing production costs. While making no “optimistic promises”, directors had “every faith in the future of this mill”, despite immediate prospects not appearing “particularly bright”. Percy Hart claimed, “We are better situated financially than ever before, we are making an article that is admittedly good and we are in a better financial position to face the problems of the future than we have ever been previously”. Despite much worrying by K&K (Tas) over difficulties affecting trade, the company made only a small loss in the 1929-30 financial year. The loss was attributed to a writing down of stock due to decreasing wool prices, rather than the problems otherwise specified. This explanation was reiterated in 1934.<sup>240</sup>

Despite the recorded loss and stints of short-time throughout the year,<sup>241</sup> trading conditions at K&K (Tas) in early 1930 showed promise. Management was discussing the mill’s congestion and the need to increase future production, which suggested that orders were coming in. Extensions were therefore being planned,<sup>242</sup> and in August a contract was signed for Messrs J. & T. Gunn Pty Ltd to undertake this work.<sup>243</sup> Another indication of improving conditions was K&K (Tas)’s re-affiliation with the Associated Woollen and Worsted Textile Manufacturers. Since the company’s withdrawal in 1925, the Association had issued many invitations to rejoin, and K&K (Tas) had repeatedly declined. In April 1930 the Association again requested that K&K (Tas) consider adhering to fixed minimum prices, and, although K&K (Tas) refused,<sup>244</sup> they did begin attending Association meetings.<sup>245</sup> By September 1931 the company decided to rejoin. Their decision coincided with a return to profitable trading conditions within the industry.<sup>246</sup>

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<sup>239</sup> A later directorial reference indicates that K&K’s entire flannel production until the mid-1920s centred around the plain flannel trade.

Minutes of K&K Directors’ Meeting, 25/5/1966: R.A.K. Minute Book, June 1965-June 1975, Held by CP.

<sup>240</sup> *Minutes of K&K Directors’ Meeting*, Eleventh AGM, 10/9/1930.

*Notes from K&K Chairman’s Speech for Fifteenth AGM*, 19/9/1934.

<sup>241</sup> See *Minutes of K&K Directors’ Meetings* for 1930.

<sup>242</sup> *Minutes of K&K Directors’ Meeting*, 11/1/1930.

<sup>243</sup> *Minutes of K&K Directors’ Meeting*, 2/8/1930.

<sup>244</sup> *Minutes of K&K Directors’ Meeting*, 5/4/1930.

<sup>245</sup> *Minutes of K&K Directors’ Meeting*, 14/5/1930 & 3/7/1930.

<sup>246</sup> *Minutes of K&K Directors’ Meeting*, 1/9/1931.

The 1929-30 financial year saw P&B Launceston's worst period since commencing production. The mill recorded a £9,000 loss. As at K&K, a decrease in wool prices was blamed.<sup>247</sup> P&B Ltd's overall profit for the 1929-30 financial year was only £17,596. With sales actually higher than the previous two years, the company blamed reduced profits upon decreasing wool values, and pointed out that their results would otherwise have been satisfactory.<sup>248</sup> Nevertheless, P&B Ltd proclaimed their dissatisfaction with Launceston's trading results, even though they could identify no area in which improvements could be made.<sup>249</sup> Adding insult, the parent company decided that, in future, the Launceston mill's results would be calculated by the Melbourne branch. P&B Launceston protested over this issue for some time, but the parent company stood firm.<sup>250</sup>

K&K (Tas)'s 1930 predictions about the benefits of the new tariff proved correct. The following year the "tariff and exchange rate combined had practically prohibited the importation of woollen goods", and allowed K&K (Tas) to again pick up extra business by replacing goods previously imported.<sup>251</sup> When combined with national wage decreases and a voluntary decrease in the interest rate on monies owed to K&K Ltd, K&K (Tas) made a small profit and were able to pay preference dividends for 1930-31. By 1932 the company paid current year preference dividends, and dividends in arrear for the periods, 1/4/1922 - 18/10/1922, 19/10/1922 - 31/3/1923, and 1/4/1923 - 31/3/1924.<sup>252</sup> In 1933 the company was boasting that results were "the best the Mill has ever shown", and allowed payment of the current year's preference dividend and back payment for the periods 1/4/1924 - 31/3/1925, 1/4/1925 - 31/3/1926 and 1/4/1926 - 31/6/1927.<sup>253</sup> The last arrears on preference shares for the 1920s were cleared in mid-1934, the company also paying its first 5% dividend on ordinary shares. At this time K&K (Tas)'s chairman reminisced on the company's past. He pointed out that since 1926 the company had experienced its ups and downs, but had always managed to balance its ledger, except for 1930 when a small loss made was entirely

<sup>247</sup> J.B. White, To W.T. Procter, 29/4/1930: Alloa Outward Correspondence, 1930-39.

<sup>248</sup> The company transferred £100,000 out of a Reserve Fund to meet this situation, still leaving them with £400,000 in reserve.

P&B Limited, Report and Proceedings at the Eleventh Annual Meeting of Shareholders, 16/7/1930.

<sup>249</sup> W.T. Procter, To J.B. White, 10/6/1930 & 23/7/1930: P&B Correspondence from Alloa, 1929-34.

<sup>250</sup> See P&B Correspondence from Alloa, 1929-34, July 1930 onward.

<sup>251</sup> *Minutes of K&K Directors' Meeting*, Twelfth AGM, 3/9/1931

<sup>252</sup> *Minutes of K&K Directors' Meeting*, Thirteenth AGM, 31/8/1932.

<sup>253</sup> *Minutes of K&K Directors' Meeting*, Fourteenth AGM, 25/8/1933.



due to decreasing wool values resulting in stock depreciation.<sup>254</sup> When Les Overstall (K&K (Tas)'s managing director from 1926-1961) retired from the company's Board of Directors in 1966, colleagues paid tribute to him for guiding the company "through the dark days of the Depression".<sup>255</sup> As the figures indicate, however, for K&K (Tas) the Great Depression was not the period of darkness later portrayed. Instead, in a relatively short space of time, increased tariff protection implemented at the end of the 1920s enabled K&K (Tas) Ltd to turn a corner.

Although prospects had improved slightly for P&B Ltd by mid-1931, Australian results were reported as the notable exception. Describing "the unfortunate financial position in Australia and the enormous inflation of currency in that Country", chairman of directors, W.T. Procter, told shareholders this had resulted "in a very serious writing down of our assets in Australia".<sup>256</sup> This was not, however, a reflection upon the profitability of P&B's Launceston mill. As noted by K&K (Tas), changes to the exchange rate had actually assisted in decreasing import competition, which was also of benefit to P&B Launceston and its Australian distributor. In fact P&B Launceston recorded a profit of just over £60,000 for the 1930-31 financial year.<sup>257</sup> The figures surprised even P&B Launceston, who had again expected the mill to record a loss.<sup>258</sup> In 1932-33, P&B Launceston's profits rose to £163,026, and again topped £100,000 for the following two financial years, at which point the relevant records held by the Launceston mill cease.<sup>259</sup> While never specific about P&B Launceston's profitability, from 1933 onward the parent company continued to report that results in Australia were satisfactory.<sup>260</sup> One unacknowledged benefit that P&B Launceston provided the parent company during this period was experience in overseas manufacturing. While the Launceston mill was P&B Ltd's first "big experiment"<sup>261</sup> in this area, by 1928 the company had added a Canadian mill to their holdings, and

<sup>254</sup> *Minutes of K&K Directors' Meeting*, Fifteenth AGM, 19/9/1934.

<sup>255</sup> *Minutes of K&K Directors' Meeting*, 25/5/1966: R.A.K. Minute Book, June 1965-June 1975.

<sup>256</sup> P&B Ltd, Report and Proceedings at the Twelfth Annual Meeting of Shareholders, 15/7/1931.

<sup>257</sup> Trading account for 12 months ended 31/3/1931: P&B Trading accounts and balance sheets, 1923-36; & Telegram to W.T. Procter, 21/4/1931: Alloa Outward Correspondence, 1930-39.

<sup>258</sup> J.B. White, To Chairman of Directors, 27/4/1931: Alloa Outward Correspondence, 1930-39.

<sup>259</sup> Trading accounts for years ending, 31/3/1932, 1933 & 1934: Trading accounts and balance sheets, 1923-36.

<sup>260</sup> P&B Ltd, Report on Proceedings at the Fourteenth Annual Meeting of Shareholders, 19/7/1933.

<sup>261</sup> 'Manufacturer Farewelled', undated press cutting: Launceston City Council, 21/1.5.

subsequently erected a new factory in Toronto in the financial year ended July 1932.<sup>262</sup> In 1933 P&B Ltd also announced its intention to move inside the Asian market by erecting a mill in Shanghai, China.<sup>263</sup> While the timing of the Shanghai venture was unfortunate (P&B Ltd temporarily lost control of this mill during the war, its staff were interned, and the war was followed by revolution),<sup>264</sup> these overseas ventures were significant in provided the grounding for P&B Ltd's rapid expansion after World War II.

In his study of Australia during the Great Depression, C.B. Schedvin noted that "manufacturing appears to have been the initiating factor in the upturn of 1932" and "the driving force in expansion for the remainder of the decade".<sup>265</sup> He also observes that textile manufacturers did not suffer as greatly as other industries during the Depression and enjoyed an early recovery. This was certainly borne out by the experiences of K&K and P&B. After the ongoing economic problems of the 1920s both mills emerged from the period as strong, financially viable concerns which would thrive for decades to come.

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<sup>262</sup> *P&B Ltd, Report of Proceedings at the Ninth & Thirteenth Annual Meetings of Shareholders*, 18/7/1928 & 20/7/1932.

<sup>263</sup> *P&B Ltd, Report of Proceedings at the Fourteenth Annual Meeting of Shareholders*, 15/7/1933.

<sup>264</sup> *P&B Ltd, Report of Proceedings at Annual Meetings of Shareholders*, 1933-1948.

The example of cotton thread manufacturers, J. & P. Coats, who later joined forces with Patons & Baldwins to create Coats Patons, further highlights some of the pitfalls of overseas expansion. A pioneer of mergers and expansion since the late nineteenth century, J. & P. Coats had amongst its overseas holdings an immense Russian organisation prior to the 1918 Revolution, along with mills in Czechoslovakia, Poland, Latvia, Hungary, Rumania, Bulgaria and China prior to World War II.

'Coats Patons (Australia) Ltd., Training Notes (Central Agency) ... Formation and Brief History & Structure', p.2: Miscellaneous Material held by CP.

<sup>265</sup> C.B. Schedvin, *Australia and the Great Depression: A Study of Economic Development and Policy in the 1920s and 1930s* (Sydney, 1970), p.291.

## CHAPTER 6

### LAUNCESTON'S INDUSTRIAL MIGRANTS

#### Introduction

Rapid expansion of Australia's woollen industry after World War I resulted in a shortages of skilled labour. While the majority of new hands were trained on the job, experienced and managerial staff could not be produced quickly enough to satisfy demand. Many new mills therefore turned to the United Kingdom to alleviate this problem. Unlike Australia, total numbers employed in Britain's textile industry remained relatively stable between 1851 and 1921. Britain's method of recruiting untrained labour and providing on-the-job training meant the proportion of unskilled or semi-trained operatives remained small and caused no great inefficiency. Colin Forster concluded that it was difficult to gauge the extent to which imported skilled labour was used by new Australian mills in the 1920s, but all five woollen mills connected with English capital introduced skilled workers from Britain.<sup>1</sup> It would not, however, be accurate to view the introduction of migrant textile workers in the 1920s as wholly due to labour shortages caused by rapid expansion. Closer analysis of the development of Australia's textile industry would probably reveal that many mills commencing prior to World War I also relied upon British migrants with a background in textile production. The number of skilled migrants introduced after the war would certainly have made this phenomenon more visible than when mills were fewer. A reliance upon skilled textile migrants in Tasmania's textile industry was apparent from the industry's inception. We have seen that when Tasmania's first woollen mill was established near Launceston in 1873, the founder introduced a number of Scottish workers.<sup>2</sup>

Although concentrating upon industrial migrants connected with Launceston's two British funded woollen mills, this chapter also considers skilled labour introduced by Launceston's other textile mills. All Launceston's textile mills started in the 1920s introduced some migrant labour, as did that other British company established in 1926, Rapson Tyre and Rubber (Australia) Ltd. Many issues relating to migrant workers are further discussed, from a different perspective, in chapter 7.

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<sup>1</sup> Forster, *Industrial Development in Australia 1920-1930* (Canberra, 1964), pp.86-87.

<sup>2</sup> *Cornwall Chronicle*, 22/1/1873; see above, p.20.

Industrial migrants cannot be viewed in isolation from broader policy issues. According to a statement from the Prime Minister's office in January 1921, Australia's immigration policy was concerned with a number of basic principals, "the defence of Australia, the maintenance of a White Australia, the development of national industries, and the payment of interest on the huge indebtedness incurred in connection with the war".<sup>3</sup> The establishment of the British textile mills should therefore have been the perfect arrangement for Australia; contributing in some way to all the basic requirements defined for immigration. The mills brought with them the right type of migrants, thus increasing Australia's population and ability to defend itself. Desired new industries were also added in which the migrants (along with many Australians) had ready-made jobs. In particular, such mills would help prove the economic benefits of migration, an argument which remained unconvincing to many Australians. Nor was migration lauded as serving merely Australian interests. 'British governments of the day were anxious to relieve socio-economic pressures by this means, and in the post-war decade helped finance the movement of its people throughout the Empire. Thus the migration story relates to all three of the forces which dominate this study: local, national, and imperial. It well reveals both complementarities and tensions in the relationships between them.

The majority of migrants arriving in Launceston after the war fitted into Australia's preferred group of immigrants - good British stock. Nevertheless, the experiences of these migrants upon arrival revealed (if less grimly than that of many of their counterparts throughout Australia) an ambivalence between the federal government's post-war enthusiasm to increase the country's population, and the attitude towards migrants of the communities into which they settled. With industrial nominees, responses were further complicated by contradictions between an enthusiasm to attract job-creating, development-promoting, and money-generating industries, and a general uneasiness towards migrants seen as competing for jobs, perceived as scarce after the war. At the same time as the *Examiner* enthusiastically proclaimed, "We want population in Tasmania, and industries such as [K&K] will attract people",<sup>4</sup> a statement by Robert Hogarth (proprietor of Waverley Woollen

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<sup>3</sup> Federal authorities were requesting Tasmania's Premier join in organised, apolitical, federal/State, co-operative "leadership and education" to change public apathy toward large scale immigration. Russell, PM's Office, To Tasmanian Premier, 13/1/1921: PD1 55/2/21.

<sup>4</sup> *Examiner*, 17/3/1921: K&K Press Cuttings.

Mills) implied there was some public disquiet over the introduction of migrant workers. Hogarth commented that, although “necessary to import the skilled labour”, the venture would “receive the hearty support of the civic authorities and the people generally”. The wording of Hogarth’s statement suggests that the introduction of migrant workers was viewed as a necessary evil to acquire the company, rather than a positive for Launceston. Another article by the *Examiner* soon after P&B began production indicates that public concern over imported labour continued. The paper offered justification, but an agonised one, for importing P&B’s foremen:

Without exception they are experts who have been intimately associated with the firm’s activities in the old country for very lengthy periods ... While this may be regarded as a policy which indicates extreme caution, it must also be admitted that the firm cannot be expected to take the risk of losing its reputation and obviously does not propose to ... It may be considered an excellent safeguard to their clients that the products of the Launceston mill are going to be right up to standard.<sup>5</sup>

Migrants were easy targets to blame for Australia’s labour problems. With industrial unrest rife internationally in the post-war period, employer interests saw migrant labour as agitators. At an Australian Chamber of Manufacturers meeting in 1921, for example, it was maintained that allowing the “wrong class” of migrants into Australia had ended in trouble. Tasmania’s representative, W.R.P. Salisbury (proprietor of Launceston’s Salisbury Engineering) targeted unions for attack, but pointed out that, “The majority of the men at the head of the unions were imported, and it had been found that most of the industrial troubles were caused by imported men”.<sup>6</sup> Salisbury believed Australians should encourage their own “flesh and blood”, and needed to be careful when importing skilled artisans to see that only the best were obtained. Simultaneously, unions and employees viewed migrants as threatening job availability and labour conditions. Prime Ministerial assurances did little to allay such concerns. In 1921 Hughes claimed there was “no greater economic fallacy” than that migrants reduced local job opportunities.<sup>7</sup>

K&K (Tas) demonstrated an awareness of concerns about introduced labour. Before specifics on migrant contracts or individuals involved were available, company secretary, Danvers Walker, assured State authorities “that rates of wages and conditions of work [would] not be less favourable to men than those current in

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<sup>5</sup> *Examiner*, 26/1/1924.

<sup>6</sup> ‘Immigration of Skilled Artisans’, 24/4/1921: K&K Press Cuttings.

<sup>7</sup> ‘Australia’s Colonisation, Twentieth Anniversary Speech by Mr. Hughes’, 1/2/1921: K&K Press Cuttings.

Tasmania at the present time for workers of the same or similar classes”.<sup>8</sup> Danvers Walker also guaranteed that contracts were “not being made in contemplation of, or effecting any industrial dispute”.

Worries about the introduction of migrants workers were intensified by unemployment, and led to some immigration schemes being curtailed before they really got under way. Tasmania’s Agent-General, Arthur Ashbolt, therefore caused concern in early 1921 by claiming there was “plenty of work in Tasmania”.<sup>9</sup> Premier Lee was advised to inform Ashbolt “that employment [was] hard to obtain and likely to be harder”. The Premier reiterated this point to Ashbolt in September, claiming that “present economic conditions” made it was necessary “to put some check upon immigration”.<sup>10</sup> Ashbolt expressed hope the condition would be temporary. He also pointed out that the present industrial and other developments must be greatly increasing demand for workers, and warned that if the current (but soon-to-expire) Imperial Government Scheme granting free passages for ex-servicemen and their families was not taken advantage of immediately, the opportunity for obtaining settlers might not arise again.

Others were similarly keen to ensure that the establishment of new industry saw an influx on migrant workers, but for very different reasons. In early 1921, an article in the *Australasian* commented upon a recent short-term closure of the Electrolytic Zinc Company’s works in the South due to falling metal prices. Although first attacking industrial labour for Tasmania’s industrial problems, Tasmanian householders were also criticised. It was claimed that the current establishment of the Cadbury factory and Launceston’s woollen mills were being viewed with “alarm” because, as large female employers, their presence would aggravate the “all pervading scarcity of domestic servants”.<sup>11</sup> Trying to allay such concerns, it was pointed out that householders had not reckoned on the influx of immigrants who would rush out on an unprecedented scale when this need became known. This provides a clear indication of the role that the more affluent members of society (those concerned about a scarcity of domestics) perceived as appropriate for immigrants. It also offers one explanation for wider community hostility towards migrant labour. Despite contentions that migrants would

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<sup>8</sup> Danvers Walker, K&K Secretary, To Under-Secretary, Government Building, 7/1/1921: PD1 55/3/21.

<sup>9</sup> Minister for Agriculture, Memo to Premier, 7/3/1921: PD1 55/6/21.

<sup>10</sup> Ashbolt, To Premier, 8/9/1921: PD1 55/2/121.

rush to Australia to take up positions as domestics, migrants generally sought to better their position in life. Such aspirations clashed with the desire of many Australians that migrants should remain in what was assumed to be their proper social and economic positions. It was against such a background that negotiations to introduce migrants textile workers for Launceston's two new textile mills were set.

### **Negotiations to Introduce Launceston's Industrial Migrants**

K&K first sought information on how to go about introducing skilled foremen into Australia in 1917.<sup>12</sup> The secretary to the federal Department of Home and Territories advised:

that if the duties of these men do not consist principally of manual labor, but of supervising and teaching other laborers, the Contract Immigrants Act 1905 would not apply to them. If in any cases the Act should apply (because the actual work to be performed consists mainly of manual labor), no difficulty will be raised in regard to admission, provided the remuneration and other terms and conditions of employment are as advantageous to the immigrants as those current for workers of the same class in the Commonwealth.<sup>13</sup>

In order to comply with the Act, the company was also to send a copy of the workers' contracts or proposed terms to the Home and Territories Department for ministerial approval. Protracted negotiations over K&K's Australian venture, however, led to a delay between initial inquiries and further progress on introducing migrant workers. By the time the issue re-emerged, changes in immigration policy led to some confusion about how industrial migrants fitted into the scheme of things.

Immigration policy in the 1920s would be concentrated around an assisted passage scheme whereby most migrants were privately nominated by family members within Australia, but with provision also made for special categories of assistees, including workers for industrial enterprises with specific needs. Instigating this joint federal/state immigration scheme, in February 1921 the Commonwealth announced that it would contribute £12 toward all assisted and nominated migrants, children eligible for reduced passages treated pro rata. On the basis on a £40 fare, this left £28 to be paid by the migrant, of which a maximum £18 could be loaned at the Commonwealth's discretion to the migrant and their family. Domestics and farm labourers were also included. While family was initially classified to include only wives, children, brothers

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<sup>11</sup> *Australasian*, 1/1/1921.

<sup>12</sup> Agent-General, John McCall, To Jens-August Jensen, Minister for Customs, 1/8/1917: PD1 118/19/17.

<sup>13</sup> Jensen, Department of Trade and Customs, To Agent-General, 14/11/1917: PD1 118/19/17.

and sisters,<sup>14</sup> this was subsequently extended to husbands, married brothers and sisters and their families, mothers and fathers, widowed mother-in-laws, nieces, nephews, cousins and fiancées - all of whom were eligible for loans.<sup>15</sup> The loans were to be repaid at £2 per month. In line with existing practice in most States, the maximum age for assisted migrants was 45 years for males and 35 for females, 50 years for those receiving free passage. Exceptions were possible in special cases. With these concessions outlined, the federal government advised the State that, for 1921 at least, migrants should be largely confined to those eligible for free passages under the (already-mentioned) British scheme for full subsidies of ex-service people's fares. Exceptions were to be restricted to cases of hardship, defined as family reunion.<sup>16</sup> K&K were particularly keen to select migrants qualifying for free passages, as this left the company with no travel-related expenses. P&B appeared less concerned about the cost of choosing non-servicemen. This was perhaps a more realistic industrial approach if the best person for the job was to be selected, rather than the one who cost least to relocate.

Once contractual negotiation with Launceston Council were finalised, K&K (Tas) directors again raised the issue of free or assisted passage for migrant labour. In late November 1920, the Home and Territories Department outlined anew requirements under the Contract Immigration Act, K&K directors inquiring whether these regulations were known at the Commonwealth offices in London.<sup>17</sup> Upon advice from the Commonwealth Immigration Office, K&K also wrote to the Department's undersecretary in early January 1921 regarding the introduction of their British workers:

These men are essential to our business, being specially trained as instructors, as well as being Foremen Spinners, Foremen Finishers, Foremen Carders and Loom Jobbers. They understand all methods of manufacture employed by Messrs Kelsall & Kemp Ltd., Rochdale, who are the promoters of the Company here.<sup>18</sup>

While the number or classes of immigrants the State was prepared to receive was not yet known, K&K's estimated requirements were about 25 workmen, mostly ex-

<sup>14</sup> PM, To Premier, 14/2/1921: PD1 55/2/21.

Acting Director of Agriculture, To K&K, 6/4/1921: SWD4, M9/55.

<sup>15</sup> H.S. Gullet, Superintendent, Commonwealth Immigration Office, To Premier, 14/3/1921: PD1 55/2/21.

<sup>16</sup> PM, To Premier, 14/2/1921: PD1 55/2/21.

<sup>17</sup> *Minutes of K&K Directors' Meetings*, 6/12/1920.



servicemen, who would largely be accommodated by their families. That K&K would be able to find 25 workers from its Rochdale mill, or any other British mill for that matter, who were not only willing to migrate to Australia, but were also ex-servicemen with family members to accommodate them in Launceston seems unlikely. It is therefore understandable that the company was unable to provide specific names or terms of employment at that time. They did, however, continue to stress that the men were “required for the successful carrying out of work”, and promised to forward contracts for endorsement soon after the men arrived, or even before. Although the government’s intention was that contracts be approved before the migrants left England, at this point the company did not intend even to submit the contracts until after the migrants arrived. There was still much confusion, and K&K’s first staff member was due to leave England in the middle of the following month.

Responses to K&K’s inquiries about introducing migrant labour indicate that authorities were themselves uncertain on how the system worked. In light of a recent immigration conference, the acting director of Agriculture presumed that any financial assistance toward the workers passages would be met by the Commonwealth, although there was still some doubt as to financial responsibility if the migrants were nominated by the company. Either way he saw no obstacle to their admission provided the Commonwealth approve the contracts. It was difficult to see how this could work if the contracts were not submitted until after the migrants arrived.<sup>19</sup>

In the midst of K&K’s negotiations to introduce industrial migrants, some local industries also saw potential in such a scheme. In early 1921, well-known Launceston clothing manufacturer, Messrs. Boatwright & Company, made inquiries about introducing between 12 to 20 British operatives the following year.<sup>20</sup> J.W. Boatwright informed Launceston’s Acting Immigration Officer that it was “impossible” to find female factory hands either locally or on the mainland, and he was being forced to refuse work on account of this<sup>21</sup> - raising questions about authorities’ repeated assurances of Launceston’s plentiful labour supply (an issue further developed in

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<sup>18</sup> Danvers Walker, K&K Secretary, To Undersecretary, Government Buildings, 7/1/1921: PD1 55/3/21.

<sup>19</sup> Acting Director of Agriculture, Agricultural and Stock Department, Hobart, Memo to Minister of Agriculture, 18/1/1921: PD1 55/3/21.

Director of Agriculture, Memo to Minister of Agriculture, 18/1/1921: SWD4, M 9/55.

<sup>20</sup> Immigration Officer, Memo to Acting Immigration Officer, 27/3/1922: SWD4, M9/182.

chapter 7). The Commonwealth Superintendent of Immigration, H.S. Gullet, responded that the practice of nominating unskilled artisans had been raised at the conference in Melbourne in December 1920, and had been operating successfully in NSW for some time.<sup>22</sup> Nevertheless, there was no current scheme whereby group nominations of industrial migrants could travel free (this being the reason K&K were interested in nominating ex-servicemen). The only way Boatwright could introduce such workers was, first to ascertain through the industrial Department that the operatives were not locally available, and then nominate them in the “usual way”. This meant the nominator accepting responsibility for the newcomers’ housing and employment upon arrival, and either paying the £26 per adult fare himself, or having that money paid by the intending migrants in Britain.<sup>23</sup> Boatwright had wanted the operatives brought to Tasmania and, only if acceptable, would he then employ them, so it was very unlikely such a deal would have been pursued. There is no subsequent reference to this matter, suggesting Boatwright let it drop.

K&K (Tas) officially informed the State bureaucracy of its intention to nominate 15 to 20 workmen and their families for assisted passages in March 1921. With the migrants expected to arrive in Tasmanian some time the following year, K&K (Tas)’s company secretary, Danvers Walker, again asked for details on how to proceed;<sup>24</sup> the company still appeared uncertain of what was involved. Danvers Walker was advised to contact Gullet, and the confinement of assisted passages largely to ex-servicemen and cases of hardship was reiterated.<sup>25</sup> Already aware of the advantages of nominating ex-servicemen, K&K quickly responded that they would write to Melbourne as suggested, but that most of the men coming out were ex-servicemen;<sup>26</sup> they informed the Commonwealth Immigration Office of the same. Gullett subsequently told L.H. Evans, Tasmania’s pertinent bureaucrat, that his office were prepared to accept K&K’s nominations for skilled artisan on Evan’s approval,

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<sup>21</sup> Acting Immigration Officer, Launceston, To Commonwealth Immigration Officer, 24/2/1922: SWD4, M9/182.

<sup>22</sup> Superintendent Gullet, To Director of Agriculture, Hobart, 22/3/1921: SWD4, M 9/182.

<sup>23</sup> Immigration Officer, Memo to Acting Immigration Officer, 27/3/1922: SWD4, M 9/182.

<sup>24</sup> C.W. Danvers Walker, Secretary, K&K, To Acting Director of Agriculture, Hobart, 15/3/1921: SWD4, M9/55.

<sup>25</sup> Acting Director of Agriculture, To K&K, 16/3/1921: SWD4, M 9/55.

<sup>26</sup> K&K, To Director of Agriculture, 17/3/1921: SWD4, M9/55.

and that the employees being ex-servicemen greatly facilitated matters.<sup>27</sup> Before the Commonwealth decision was received, however, State authorities had intended to inform the company that, subject to Commonwealth approval of contracts, no exception would be taken to the workmen's entry into Tasmania.<sup>28</sup> This message was mislaid, and when it resurfaced in April, the responsible Minister concluded it was probably too late to reply to the company, as some of the workmen were already on their way!<sup>29</sup>

In June 1921 the Immigration Officer outlined procedure to K&K in greater detail. The company was first required to advise the State Immigration Office of the number and class of people required, and, once the Department had satisfied itself that these were unavailable in the State, the nomination would be accepted. The Department believed that the workers required could most likely be found amongst ex-servicemen, and that no loans would be necessary. It was also explained that, for those ineligible for free passages under the still-operating imperial scheme, the nominator or his London representative would have to pay £26 on each passage, as well as the "usual guarantees" about the migrants not becoming a burden upon the state.<sup>30</sup> Such migrants were, as a rule, usually selected by a London representative of the nominating firm, and it was added that:

As the men nominated under this scheme will be special workers for whom there will be very little chance of employment beyond the job for which they are nominated, it should not be necessary for the employer to bind them by a definite contract. If a definite contract is not made the engagement will not fall within the scope of the contract Immigrants' Act.<sup>31</sup>

This passage raises at least two pertinent issues as far as industrial migrants themselves were concerned. The first relates to the Department's claim that the specialised nature of these job made contracts unnecessary. This was misleading in the case of textiles. With the Australian industry expanding rapidly, there was a national shortage of trained operatives - the reason migrants were introduced in the first place, and also why contracts were needed to keep migrants from transferring to another employer upon arrival. Both companies demonstrated an understanding of the labour

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<sup>27</sup> Commonwealth Immigration Officer, Superintendent, To L.H. Evans, Acting Director of Agriculture, 21/3/1921: SWD4, M9/55.

<sup>28</sup> Signed CS, Hand-written note to K&K, undated: PD1 55/3/21.

<sup>29</sup> Memo attached to above reference, 8/4/1921: PD1 55/3/21.

<sup>30</sup> Immigration Officer, To K&K, 7/6/1921: SWD4, M 9/55.

<sup>31</sup> Immigration Officer, To K&K, 7/6/1921: SWD4, M 9/55.

situation and did insist upon two-year contracts for their introduced work force. Both also had difficulties retaining their imported work force once these contracts expired. In many cases workers were actively head-hunted by other firms, or simply went elsewhere if pay demands or promotions were not met. The federal government's stance probably arose from to an awareness of union dislike for contracted migrant labour.<sup>32</sup>

Later in the decade, to make our second point, officialdom was to cause many troubles by falling into opposite error - failure to foresee problems which could arise when specialised migrants had too limited a market for their skills. This became apparent with workers from Rapson Tyre and Rubber Company, the other large labour importing company beginning in Launceston in the 1920s. As later elaborated upon, when Rapson went into liquidation less than two years after commencement, their work force was stranded in Tasmania and virtually unemployable. This caused public ill-feeling towards the migrants involved, and complementary distress and anger among the migrants themselves.

### **The Arrival of Launceston's Textile Migrants: Kelsall & Kemp (Tas)**

It is unclear how many migrant workers were introduced by K&K (Tas), but it was less than the company originally predicted when estimates of required migrant workers were provided to authorities. At the first AGM after production commenced, shareholders were told that the mill had only 15 skilled operatives;<sup>33</sup> although not all of these were necessarily British migrants. Reference is made, for example, to K&K (Tas) employing three skilled weavers from Western Australia during this period.<sup>34</sup> Although K&K introduced substantially less migrants than P&B, both mills gained many additional migrant employees through the process of chain migration. Chain migration involved established migrants themselves nominating family and friends. This process, as it relates to Launceston's textile mills, is later discussed in some detail.

While P&B's larger migrant work force may have been beneficial from a production viewpoint, it also made P&B's migrants more visible within the wider community and, hence, more susceptible to criticism over P&B's employment of

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<sup>32</sup> Michael Roe, *Australia, Britain, and Migration, 1915-1940: A Study of Desperate Hopes* (Oakleigh, 1995), p.209.

<sup>33</sup> *Minutes of K&K Directors' Meetings*, Fourth AGM, 25/5/1923.

<sup>34</sup> *Minutes of K&K Directors' Meetings*, 24/5/1923 (See also Chapter 7).

migrant labour. Conversely, one long-time local employee of K&K (Tas) maintains that K&K's migrants were so few they simply assimilated. He claims that even the use of "pommies" was not an issue.<sup>35</sup> Any ill-feeling that did exist was seen to have come from the outside community, not within the mill. Indicating that numbers and consequent visibility were no safeguard against migrant harassment, however, Victor Tuting (a young migrant employee who was the son of K&K's engineer) contradicts these claims by recalling that "pommie taunting ... 'permeated into everyday life'".<sup>36</sup> Different situations prompt different memories.

As already noted, K&K (Tas)'s first skilled foremen began arriving in early 1921. Seemingly the first was Samuel Tuting. Although no record of Tuting was located in assisted passage files, he arrived in the period when negotiations between the company and authorities over introducing migrant labour were still under way. This suggests that the company sent Tuting before appropriate papers were completed, and that he was ineligible for assisted passage. Described as a mechanical expert,<sup>37</sup> Tuting was on his way to Tasmania in late February 1921, calling into Geelong on the way to inspect finishing machinery.<sup>38</sup> Arriving the following month, Tuting was introduced to directors at a meeting on 19 March, and shown around the mill works on 23rd.<sup>39</sup> Four months after his arrival, Tuting personally nominated his wife and five children to follow.<sup>40</sup> The family arrived in Tasmania in January 1922. The Tuting family's fare was covered by K&K Rochdale.<sup>41</sup> It was in both companies' best interests to show concern for the welfare of employees and their families, thus aiding a successful transition process and encouraging the workers to stay on after their contracts expired. K&K's company secretary, Danvers Walker, therefore attempted to arrange a job for Tuting's eldest son soon after the family's arrival. Danvers Walker requested that State authorities push an application with the PMG's Department for 20 year old, Sydney. Describing Sydney was "a fine type of young man", Danvers Walker believed

<sup>35</sup> Interview with P.M. Hart, 1/11/1996.

<sup>36</sup> Roe, *Australia, Britain, and Migration*, p.244.

Tuting went on to become Tasmania's Chief Inspector of Factories from the 1950s.

<sup>37</sup> 'State of Tasmania, Assisted Immigration by Nomination', 4/7/1921: SWD4, M9/55.

<sup>38</sup> *Minutes of K&K Directors' Meetings*, 28/2/1921.

<sup>39</sup> *Minutes of K&K Directors' Meetings*, 19/3/1921.

<sup>40</sup> 'State of Tasmania, Assisted Immigration by Nomination', 4/7/1921: SWD4, M9/55.

<sup>41</sup> Immigration Officer, To Director, Migration and Settlement, London, 5/7/1921: SWD4, M9/55.

it would be a pity if Sydney's previous training in the engineering department of the English post office were wasted.<sup>42</sup>

Another early arrival at K&K (Tas) was James Butterworth. Butterworth's case demonstrates how little input local directors had over the choice of their managerial staff and these men's conditions of employment. At a meeting in March 1921, local directors discussed a service agreement that K&K Rochdale had recently made with Butterworth to act as inside manager at their Launceston mill. Subject to a solicitor's report validating that the contract met with local labour conditions, Butterworth's appointment was confirmed because local directors felt they could not interfere with such contracts made in England.<sup>43</sup> Butterworth's contract highlighted that the uneven power balance in decision making processes extended to the hiring of staff. This was not just an issue of power, but could cause work-place problems. In time this became more evident at P&B: selection of the Launceston mill's pivotal staff by the parent company led to some disruptive personality conflicts within that mill.

Confusion surrounding how the immigration process applied to workers nominated by a company continued throughout this early period, as seen with James (Jim) Holt. Holt was brought out by K&K in early 1922 to take charge of carding and spinning (in today's terminology he would have been yarn production manager).<sup>44</sup> Originally nominated by Mrs. Sam Tuting and family in July 1921, Holt's first nomination was rejected. The Tuting family had only just arrived when the nomination was lodged, so a minimum period of residence may have been deemed necessary before approving a nomination. Alternatively, the application may have been rejected because Holt was not related to the nominators. Holt was subsequently nominated by K&K in December 1921,<sup>45</sup> at which time the company was informed that, if Holt's presence was urgent, details should be cabled immediately. Initially responding that Holt's presence was not urgent, in March 1922 K&K did an about face to claim Holt had been needed in Tasmania by 26 January and, unable to wait until the nomination papers arrived, they had sent Holt themselves. In response to the company's claim that the £12 equivalent of the Commonwealth grant be refunded, the Immigration Officer

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<sup>42</sup> Acting Immigration Officer, Memo to Immigration Officer, 31/3/1922: SWD4, M 9/55.

As seen in illustration No. 21, Sydney Tuting was, at least temporarily, employed by K&K (Tas).

<sup>43</sup> *Minutes of K&K Directors' Meetings*, 19/3/1921.

<sup>44</sup> Interview with P.M. Hart, 24/11/1995.

<sup>45</sup> 'State of Tasmania, Assisted Immigration by Nomination', 1/12/1921: SWD4, M9/129.

argued that K&K was not entitled to the money, but asked federal authorities for a ruling anyway.<sup>46</sup> No reply is recorded, but the refund was presumably not approved. This meant that K&K's first three known migrant workers did not qualify for assisted passages. Nevertheless, by the time K&K (Tas) began production, the company had finally worked the system out. In early 1923, for example, K&K nominated wool spinner, Tom Rothwell and his family. Fulfilling all requirements earlier detailed, Rothwell was an ex-serviceman,<sup>47</sup> and the company promised to arrange accommodation for Rothwell and family, who were due to arrive in early September.<sup>48</sup>

The introduction of migrant workers by both mills did not finish once the mills were established. Colin Forster points out that shortages of skilled labour were especially marked after the 1925 tariff increases.<sup>49</sup> K&K (Tas), in particular, suffered greatly from loss of labour at this time (further discussed in chapter 7). This led to the introduction of a second round of migrant labourers, which is detailed in Appendix C.

### **The Arrival of Launceston's Textile Migrants: Patons & Baldwins, Launceston**

Although P&B introduced substantially more migrants than did K&K, Tasmanian government records shed little light on discussions between State authorities and this company. K&K (Tas) - along with confectionery manufacturers, Cadbury-Fry-Pascall - had already clarified guidelines on the introduction of industrial migrants, so it was perhaps unnecessary for P&B to have much contact with the State on this matter. While this means less information is available on negotiations to introduce migrant workers, the nature of P&B Launceston's records provide more comprehensive details on the experiences of P&B's migrants upon arrival.

During early negotiations, P&B had initially claimed that only eight to ten employees would be brought from England to act as instructors.<sup>50</sup> Presumably attempting not to inflame concerns over the introduction of migrant labour, P&B failed to mention that virtually the entire managerial staff would also be introduced. Subsequent claims about migrant numbers were less specific. In November 1921, for

<sup>46</sup> Immigration Officer, To Acting Director of Immigration, Melbourne, 13/10/1922: SWD4, M 9/129.

<sup>47</sup> Government of Australia, Application Form for Migration, May 1923, No. 119/5/10: SWD4, M9/348.

<sup>48</sup> 'State of Tasmania, Assisted Immigration by Nomination', 23/4/1923; & State Immigration Officer, To K&K (Tas), 16/8/1923: SWD4, M9/348.

<sup>49</sup> Forster, *Industrial Development*, p.86

<sup>50</sup> 'Land Wanted', *Daily Telegraph*, 4/7/1921: K&K Press Cuttings.

example, the company claimed that, as a “nucleus of their staff”, they would introduce “a few skilled workers from Halifax and district” to act as foremen.<sup>51</sup>

It is uncertain exactly when the first three staff arrived to oversee construction of the Launceston mill, but it was sometime in 1922 and two of these men only migrated interstate, from Melbourne. Previously employed at P&B (Australasia) Ltd, the men involved were P&B Launceston’s first general manager, W.M. Stewart (Junior), and accountant, A.D. Peacock.<sup>52</sup> Stewart undertook his duties while commuting between Melbourne and Launceston. Seemingly the first British migrant to arrive was works manager, John McVann, although no date of arrival was located.<sup>53</sup> P&B’s other migrant foremen began arriving in Launceston in early 1923 - assistant engineer, William Grierson, in January,<sup>54</sup> while William Ferguson, “a highly qualified” and experienced chemist<sup>55</sup> in charge of all wet-processing sections, arrived in March.<sup>56</sup> Both hailed from Alloa. Departure dates for the majority of P&B’s skilled migrants were staggered to allow for building progress of the various departments. The largest group left Tilbury Dock, England for Launceston on 26 April 1923; Appendix C lists such migrant employees.<sup>57</sup> The group’s Scottish contingent included three married couples, two males and eight girls, accompanied by another two married couples and three girls from England. This “nucleus staff” arrived in Launceston on 16 June to a not yet completed mill, and were welcomed by most of those already arrived, including

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<sup>51</sup> *Daily Mail*, 26/11/1921: Launceston City Council, Industries, G.H. Hirst & Co. (1921-22), 19/3.1. In reality most managerial staff came from Alloa.

<sup>52</sup> Related to the wife of W. Stewart Senior (general manager of P&B (Australasia) Ltd), A.D. Peacock arrived in Launceston in January 1923 as the first accountant at P&B Launceston’s mill, and remained in charge of the general offices for many years until being recalled to the company’s Melbourne office. Peacock was still company secretary with the firm in 1962, when directors expressed regret at the death of his wife.

Cowie, To ARP, 30/1/1924: P&B Private correspondence, ex-Alloa;

*Examiner*, 26/1/1926 & ‘P&B Spinning Mill at Launceston’: P&B Mill History File;

P&B Directors’ Meeting, 30 April - 1 May, Minute No.62/68: L. Denham, Book 1, Index of Minutes.

<sup>53</sup> Both Stewart and McVann are subsequently considered in greater detail.

<sup>54</sup> ‘Original Staff from P&B Mills in the UK’: P&B Mill History File.

Grierson stayed with P&B Launceston’s mill for the rest of his working career. The company made reference to supplementing his pension from a voluntary supplementary pension scheme in 1962.

P&B Directors’ Meeting, 24-25/1/1962, Minute No. 62/14: L. Denham, Book 1.

<sup>55</sup> *Examiner* 26/1/1924, p.5.

Ferguson retired as manager of the dye-house in 1943, his position was taken over by J.B. Boag of Alloa.

*Examiner*, 20/12/1972, p.9.

<sup>56</sup> ‘P&B Spinning Mill at Launceston’, 13/5/1969: Mill History File.

Hand-written letter from Bill Grierson, Hagley, To A.B. Stirling, P&B Personnel Manager, 20/11/1968: P&B Mill History File.

<sup>57</sup> See file SWD4, M9/316.



Stewart, Peacock, McVann, and Ferguson.<sup>58</sup> They were also given a “hearty welcome” by Launceston’s mayor, whom the company later thanked for attending proceedings.<sup>59</sup> A second group of migrants arrived a few months later,<sup>60</sup> and production started on a small scale in August 1923. With machinery continuing to be erected as building progressed,<sup>61</sup> another handful of migrants arrived to take up positions in newly finished departments on 19 November 1924.<sup>62</sup> According to a newspaper report the following year, the company brought out a total of 24 operatives and their families, along with an unspecified number of departmental managers and some administrative staff, a total of between 50 and 60 people during the initial establishment process.<sup>63</sup> As mentioned, both companies would continue to nominate migrants throughout the 1920s, but would acquire many extra British employees through chain migration.

### Chain Migration

The mills were happy to allow their first migrants to take responsibility for nominating relatives who were then employed at the mills. By removing the onus of housing and financial guarantees from the companies and on to individual nominators, chain migration also enabled the companies to distance themselves from criticism at continuing to introduce migrant employees, particularly those who did not qualify as skilled labour. The introduction of migrant employees by family members already at the mill was further smoothed because the nomination system worked primarily to reunite family and friends.<sup>64</sup> Concerns about the effect of continued immigration during the Depression led the federal government to place restrictions upon all immigration during 1929-1930. Debate over re-introduction of the assisted passages scheme in the latter half of the 1930s, however, revealed much about community concerns over Launceston’s migrant textile employees during the previous decade.

Questioning the value of the assisted passage scheme was A.E. Weymouth, the officer-in-charge of Labour and State Immigration at Launceston during the 1920s.

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<sup>58</sup> Hand-written extract: P&B Mill History File.

<sup>59</sup> Stewart, P&B, To Mayor, 21/6/1923: Launceston City Council, 19/6.1.

<sup>60</sup> P&B ‘Spinning Mills at Launceston’: P&B Mill History File.

<sup>61</sup> Hand-written letter from Bill Grierson, Hagley, To A.B. Stirling, 20/11/1968: P&B Mill History File.

<sup>62</sup> P&B ‘Spinning Mills at Launceston’: P&B Mill History File.

<sup>63</sup> *Examiner*, 26/1/1924, p.6.

One exception, he believed, was the role the scheme played in enabling skilled workers to be brought out to inaugurate new industries. Although supportive of the scheme's influence in encouraging companies to establish, Weymouth was critical that these companies continued to introduce workers after the initial establishment process. Specifying P&B and Rapson Tyre & Rubber Co for attention, Weymouth noted that Rapson directors, in particular, had wanted to bring out more workers, except he had "very strongly pointed out" that Tasmania could supply the company's less skilled labour requirements.<sup>65</sup> P&B directors explained that their continued introduction of migrant labour was because of doubts over Tasmania's ability to supply sufficient girl labour, and were given similar assurances. Probably with undue optimism, Weymouth claimed that both companies' management were eventually convinced of the suitability of local labour, although he does not mention whether they actually stopped introducing workers.

Blaming the migrants rather than the firms, Weymouth was critical of P&B employees nominating their friends from the old country for skilled jobs at the mill. He believed that excellent local labour was being disregarded. The continual employment of migrant workers nominated by its employees suggest that, rather than being convinced of Weymouth's argument, P&B used private nominations as a way of avoiding bureaucratic interference. The companies likely realised that authorities were reluctant to address public concerns over their employment of migrants nominated in this way. In October 1927, for example, a letter from an undisclosed source regarding "the employment in factories etc., of immigrants", was doing the rounds of various business related organisations.<sup>66</sup> Launceston's mayor had originally received the letter, passing it on to the Chamber of Commerce, who, in turn, handed the letter over to the Chamber of Manufacturers. No one wanted to accept responsibility for confronting this issue. Tackling large employers such as P&B Launceston, K&K (Tas) & Rapson - revealed as main culprits in this regard - seemed to be viewed as a political hot-potato.

Another reason not to address public concerns about the introduction of migrant labour through chain migration was that authorities were themselves divided as to whether the whole process was desirable. Bartholomew Douglas was an inspector

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<sup>64</sup> Tenth Annual Report of the Industrial Department for 1924-1925, No. 11, p.23: *Tasmania. Journals and Printed Papers of Parliament, Vol. 1925-26.*

<sup>65</sup> 'Assisted Migrants' by A.E. Weymouth, 1937: SWD 5/1.

with the Department of Immigration and Labour during the 1920s and an advocate of a migration policy centred around family reunion. He would, however, subsequently oppose the Scullin government's restrictions, implemented during the Depression, upon assisted passages solely to very close family members. Improved economic conditions in the latter half of the 1930s led to discussion on widening the scheme. Douglas then used the case of migrants brought out by P&B Launceston, K&K (Tas), and Cadbury-Fry-Pascall during the 1920s to argue that the scheme should be extended beyond close family members. He pointed out that the nomination of relatives, close or otherwise, caused the State least worry, as accommodation and employment was always available with kith and kin. After staying a few years and seeing improved economic conditions, Douglas argued, it was natural that the original migrants "desired to nominate certain relatives who did not come within the category of close relative".<sup>67</sup> As these nominations could not be approved under the family reunion scheme, in some instances skilled operatives had returned to Britain to rejoin the firm's home branch. Otherwise evidently happy in Australia, the one element lacking was "their home circle". Seeing this as a loss to the country, Douglas believed that a successful settler was the best possible advertisement for Australia, while a dissatisfied migrant would refrain from recommending the country to others. This point had long been recognised by policy makers. At the first interstate conference of the New Settlers' League held in Melbourne in October 1921, the Governor General, Lord Forster, warned that every settler returning home "a confessed failure" did more to harm Australia's prospects of attracting the "best kind of settlers" than anything else.<sup>68</sup>

Industrial migrants introduced by Rapson Tyre and Rubber Company would become particularly contentious figures in this debate after the company's collapse in the early 1930s. Douglas used Rapson as a negative example of why family reunion was the best form of migration. Skilled workers and their families necessary to begin this industry had been assisted by the State rather than nominated by family. When the company had failed, the workers had no family backing and became stranded, requiring State assistance until absorbed by allied factories on the mainland; some still receiving

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<sup>66</sup> Launceston Chamber of Commerce Executive Committee Meeting, 20/10/1927: Minutes 8/3/1917-19/6/1930.

<sup>67</sup> 'Migration. Assisted Passages Scheme', by B. Douglas, 1937: SWD 5/1.

<sup>68</sup> *New Settlers League of Australia, Report of Proceedings of the First Interstate Conference, Melbourne, 25-27th October, 1921*, p.3: Launceston City Council, Immigration - New Settlers' League of Australia.

unemployment sustenance in 1936.<sup>69</sup> As an opponent of the scheme, Weymouth saw this same instance in a variant light. He believed the Rapson case proved his contention that it was better for the companies to recruit local labour because locally trained labour was more adaptable than the introduced specialised workers. Weymouth pointed out that, after Rapson collapsed, a Queensland manufacturer had come to Tasmania to engage some men, but the Rapson migrants' specialised skills meant that only four were suitable. Several other Rapson employees had approached the government for assistance to go to Queensland and seek work at this factory, but returned to draw the dole. P&B's migrants also came under attack by Weymouth in this story because a number of Rapson migrants had used their connections with P&B's English employees to obtain jobs at P&B Launceston. Weymouth believed these migrants had been given preference over locals for unskilled positions, thus taking jobs "that first class local labour" was "waiting to obtain", or actually replacing local men (although no proof is offered).<sup>70</sup> Some locals may have resented what they saw as the preference British owned mills showed towards employing British workers, but such preference was also motivated by the bond that many migrants form with others from their homeland when in a new and not always friendly environment. Disproving Weymouth's theory that skilled migrants were not adaptable - as those involved had transferred from tyre making to textile production - his reasoning also left migrants in a no-win situation. They were criticised for losing their jobs through no fault of their own and needing to draw unemployment sustenance, and criticised for using their few Australian connections to obtain employment. Even attempts by Rapson migrants to return home, seemingly their only remaining option, had been thwarted. Rapson had gone into liquidation before most of its migrant workers had served their required two-year term in Australia. Migrant requests to waive this residential requirements and allow them to return home at their own expense were, however, rejected by federal authorities. So too were migrant claims upon the company for assistance to repatriate. Authorities deemed that the company had fulfilled its obligations towards the workers. Despite State advice that the exemption was warranted, and headlines declaring Rapson's migrants "Very Unfairly Treated", federal authorities stood firm.<sup>71</sup>

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<sup>69</sup> 'Migration. Assisted Passages Scheme', by B. Douglas, 1937: SWD 5/1.

<sup>70</sup> 'Assisted Migrants' by A.E. Weymouth, 1937: SWD 5/1.

<sup>71</sup> See SWD4, Albert E. Wood - Rapson Tyre & Rubber

Whatever side various parties took on the issue of chain migration, the nomination of relatives by mill employees started before K&K (Tas) even became operational. In July 1922, Sam Tuting nominated his ex-serviceman brother-in-law, Alfred Jameson, and wife.<sup>72</sup> Jameson's nomination was eventually cancelled because he was unable to revoke his current employment contract until November 1923<sup>73</sup> (implying he was not a K&K employee himself). This was, however, one of the first instances of a Launceston textile employee attempting to introduce other migrants to work in the Launceston mills. It is not possible to ascertain exactly how many extra migrant workers either K&K (Tas) or P&B Launceston gained through chain migration, particularly as not all migrants employed at the mill were nominated by workers previously brought out by the companies.

Some mill employees came to Tasmania for personal reasons and, already having a background in the textile trade, were able to obtain employment at the Launceston mills. While some locals may have seen this as preference being shown to British workers, skilled labour was in short supply, irrespective of the workers' nationality. In December 1920, J.W. Barnes, a 60 year old boot repairer who had been in Tasmania for five years, wrote to the Immigration Board requesting that his wife, Martha, and their sons be able to join him.<sup>74</sup> They eventually left England in late 1922.<sup>75</sup> In 1925, Martha, a silk weaver by profession,<sup>76</sup> was employed at K&K (Tas) as a weaver on piece work, earning £3 per week when work was plentiful. Her eldest son, aged seventeen and a half, was also employed at the mill, earning 27s. 6d. per week.<sup>77</sup> While Martha's past experience in the textile trade would have stood her in good stead to acquire work at any of the mills, some locals would no doubt have seen the employment of her teenage son as preference being given to British labour over local labour, when plenty of the latter was available. This may or may not have been the case, but ignores an important textile industry tradition; companies hiring subsequent generations, a practice aiding the maintenance of company loyalty. Some long established migrants also saw Launceston's new textile mills as an opportunity to

<sup>72</sup> Assistant Immigration Officer, To Immigration Officer, Hobart, 12/7/1922: SWD4, M9/235

<sup>73</sup> Immigration Officer, Memo to Assistant Immigration Officer, Launceston, 15/1/1923: SWD4, M 9/235.

<sup>74</sup> Barnes, To Secretary, Immigration Board, 12/2/1920: SWD4, M 9/31.

<sup>75</sup> Immigration Officer, Hobart, Memo to Assistant Immigration Officer, Launceston, 16/11/1922: SWD4, M9/31.

<sup>76</sup> 'Assisted Immigration by Nomination Form (to State of Tas)', 14/11/1921: SWD4, M9/31.

reunite with British family members in the textile trade. In April 1923, orchardist and investor, John Cameron, nominated his 23 year old ex-serviceman brother-in-law, Earnest Burden. As Burden was a woollen mill operative, Cameron promised to arrange work for him at the local woollen mills.<sup>78</sup>

Not all migrants were wholly honest about their employment intention. While Glen Withers calculations of skill indices in the 1920s suggest a decline compared with past migrants,<sup>79</sup> Michael Roe suggests that many migrants actually denied or disguised industrial skills to qualify for assistance as agricultural workers or domestics.<sup>80</sup> There were certainly examples of this with migrants intending to seek employment at Launceston's textile mills. In early 1925, Tea Tree farmer, William Scott, nominated Greaves and Hilda Wood (Hilda his wife's cousin) to work on the family farm.<sup>81</sup> Following events suggest the couple had little intention of coming to Australia to undertake farm duties. Although currently unemployed, both were experienced textile workers by trade and, when their nominations were lodged, employment applications were also placed, and followed up, at P&B Launceston, K&K (Tas), and Reliance Worsted Mills. With no firm employment offers forthcoming,<sup>82</sup> the Woods refused a subsequent offer from the Director of Labour to undertake farm and domestic work other than on their relatives' property (the two occupations specifically wanted by the Australian government). The Woods claimed they presently had a few months work in England.<sup>83</sup> As this was a time of marked labour shortages in the textile industry and both P&B Launceston and K&K (Tas) were shown to have introduced more migrant workers during the 18 months these negotiations continued, the Woods' case also suggests that Launceston's mills did not employ people just because they were British, as some locals implied. It could instead be argued that family connections within the

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<sup>77</sup> Office of Immigration, To Director of Labour & State Immigration, 7/5/1925: SWD4, M 9/31.

<sup>78</sup> 'State of Tasmania, Assisted Immigration by Nomination', 18/4/1923: SWD4, M9/344.

Cameron also nominated his brother Archibald and family. Archibald Cameron was a builder, and, as John was no doubt aware, the current building spurt and associated labour shortages, in part due to construction of the mills, would have made this a positive time to migrate.

<sup>79</sup> See Glenn Withers, *The Immigration Contribution to Human Capital Formation* (Canberra, 1987).

<sup>80</sup> Michael Roe, *Australia, Britain, and Migration*, p.211.

<sup>81</sup> 'State of Tas, Assisted Immigration by Nomination', 27/1/1925: SWD4, M9/517.

<sup>82</sup> Greaves, To Douglas (Immigration), 6/8/1926: SWD4, M9/517.

In June 1926 a letter was received stating that P&B Launceston had no vacancies; K&K (Tas) intended to engage additional labour and would keep the couple in mind; Reliance Worsted Mills promising the same.

<sup>83</sup> Wood, To Director of Labour, 16/8/1926: SWD4, M 9/517; For further example see SWD4, M1/637 - Agnes McGee.

mill ensured the character of recruits were already known, and family ties helped the migrants' transition into a new environment, as well and the continuing transition of the nominating relative.

The marked tightening of migrant entry restrictions by the decade's end might have further encouraged migrants to misrepresent their intended employment. In July 1929, for example, Flora Hood arrived in Australia to take up domestic service. By October, however, she had transferred to P&B. Suggesting this may have been her original intention is the fact that Hood's nominator, J.L. Gibb, was also a migrant employee at the mill. Authorities were powerless to force Hood to remain in domestic service, but she was required to refund the government contribution to her fare and seemed happy to do so.<sup>84</sup>

While Launceston's British controlled companies were most often targeted for giving jobs to migrants over local labour, perhaps the most blatant example of a company seeking to introduce unskilled labour came from one of Launceston's locally owned mills. In August 1927 Thyne Bros. Pty Ltd nominated typist/book-keeper, Lillian Curtis.<sup>85</sup> Her brother had already been introduced from England to work at the mill, but it was the company, not he, who lodged the nomination and specified that Lillian was being brought out as a company employee. Although a typist/book-keeper could in no way have qualified as skilled labour, authorities made no reference to this point. Thyne Bros. also requested that Lillian, who was to be accompanied by her mother, have her assisted passage up-graded to first class, the difference to be paid by the company.<sup>86</sup> Not only was it unusual for a migrant worker nominated by a company to be accompanied by a parent, but, so too, was the upgrade to first class. When deciding upon criteria for assisted passages, the federal government had ruled that no concessions would be made to those travelling first class;<sup>87</sup> Lillian's assisted nomination would therefore not have been approved. It is uncertain why Thyne Bros. went to such lengths to introduce a typist/book-keeper, but it was presumably part of a previous deal made with her brother to acquire his services. Mr. Thyne also applied for a rebate on Lillian's brother's fare when lodging her nomination, and was informed

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<sup>84</sup> See file SWD 4, M9/875.

<sup>85</sup> 'State of Tas, Assisted Immigration by Nomination', 28/8/1927: SWD4, M9/754.

<sup>86</sup> Director, Labour & Immigration, To Officer-in-Charge, 9/11/1927: SWD4, M9/754.

<sup>87</sup> H.S. Gullet, Superintendent, Commonwealth Immigration Office, To Premier, 14/3/1921: PD1 55/2/21.

that, because the nomination for assisted passage had been made after the migrant arrived, he was not entitled to a rebate.<sup>88</sup>

There were a wide variety of reasons and motivations why both individuals and companies continued nominating other migrants, but in many cases the reason remained the same as for the first industrial migrants. The requisite skills were not available locally. When K&K (Tas) lodged an application to introduce John Stott and his wife in 1927, managing director, Les Overstall, claimed the company had been “unable to get a suitable man locally, with knowledge of Loom-tuning”.<sup>89</sup> This contention appeared correct as Reliance Worsted Mills also found it necessary that year to nominate loom-tuner, Stanley Hoyle, and his family.<sup>90</sup>

Although companies and their migrant employees found ways of getting around regulations aimed at limiting the continued introduction of migrant labour, there were instances when textile migrants were refused for reasons other than concern over unemployment. To understand the rejection of one British male with a job arranged at P&B Launceston, for example, background information is necessary. In April 1922, the Prime Minister’s office corresponded with Premier Lee about its London office of Migration and Settlement’s concerns over the nomination for assisted passages of individuals who had lost the sight of one eye. People with this disability had previously been accepted,<sup>91</sup> but the office claimed to be “somewhat perturbed” at the frequency of such cases and sought advice. While the Home and Territories Department, who administered the Immigration Act, had deemed such migrants acceptable provided they were otherwise in good health, could earn a living, and were not likely to become a burden upon the State, Tasmania’s opinion on this disability was sought. The only guideline offered was a suggestion the State be more sympathetic to ex-servicemen acquiring this affliction in the war.<sup>92</sup> It seems unlikely that Australia was really being flooded by Britons with the sight of only one eye. Subsequent correspondence suggests that the federal government’s real agenda was broader. In a letter received the following month, the Premier was told that the joint immigration scheme held the

<sup>88</sup> Director, Labour & Immigration, Memo to Inspector, 26/8/1927: SWD4, M9/754.

<sup>89</sup> Officer-in-Charge, To Director, State Immigration, 7/7/1926: SWD4, M 9/657.

<sup>90</sup> John Broomby agreed to arrange housing and the fare was to be paid half each by the nominator and nominee.

‘State of Tas, Assisted Immigration by Nomination’, 24/10/1927: SWD4, M9/773.

<sup>91</sup> Acceptance was subject to no objection being made to the nomination.

<sup>92</sup> Acting PM Earl, To Premier, 11/4/1922: PD1 55/4a/22.



Commonwealth responsible for repatriation of those found, upon arrival, to suffer from disabilities rendering them unsuitable for employment.<sup>93</sup> Financial responsibility for repatriating migrants who were fit upon arrival but later became incapacitated and likely to be a charge upon the State was, however, a grey area. In cases to date, the Commonwealth had been asked to repatriate such people, but Hughes' government felt that this should be done at the State's expense.<sup>94</sup>

The eye inquiry was presumably advanced to test the State's response. If Tasmania agreed to accept migrants with the sight of only one eye and they later lost the sight of their remaining eye, financial responsibility would then be upon the State rather than the Commonwealth. Premier Lee obviously saw the connection, as he replied separately to both Commonwealth letters on the same day. His immigration officers concurred that each case involving eyesight should be decided upon its own merits, but the Premier refused to accept financial responsibility for repatriating migrants found unfit for work.<sup>95</sup> The Commonwealth subsequently offered to accept repatriation costs provided the physical condition existed at the time of selection and the Commonwealth was notified within six months of disembarking.<sup>96</sup> The Tasmanian government accepted.<sup>97</sup> As this would still hold the State financially responsible for a migrant who lost the sight of their remaining eye after arrival, it might explain the State's refusal to accept another nomination the following year.

In late 1923 Watson Dawson of P&B Launceston nominated his 18 year old brother-in-law, John Elliott Rae, a wool sorter, to work in P&B's wool sorting department. The company went guarantor to the nomination.<sup>98</sup> Rae's nomination for an assisted passage was subsequently rejected on medical grounds. With Rae "practically blind in one eye", the medical referee determined that "should anything happen to the good eye, he would not be able to carry on and might become a charge upon the State".<sup>99</sup> Still able to migrate to Australia if self-funded, Rae took up this option and arrived in April 1924 to begin work at P&B Launceston.<sup>100</sup> Although the

<sup>93</sup> PM Hughes, To Premier, 5/5/1922: PD1 55/4a/22.

<sup>94</sup> Hughes, To Premier, 5/5/1922: PD1 55/4a/22.

<sup>95</sup> Premier Lee, To PM, 19/5/1922: PD1 55/4a/22.

<sup>96</sup> PM Bruce, To Premier, 16/12/1922: PD1 55/4a/22.

<sup>97</sup> Premier, To PM, 29/1/1923: PD1 55/4a/22.

<sup>98</sup> 'State of Tas, Assisted Immigration by Nomination', 19/11/1923: SWD4, M9/412.

<sup>99</sup> State Immigration Officer, To Watson Dawson, 12/3/1924: SWD4, M9/412.

<sup>100</sup> State Immigration Officer, To Director, Migration & Settlement, London, 17/4/1924: SWD4, M9/412.

Federal Government's ruling suggested otherwise, less than perfect vision did not make Elliott Rae an unsuitable migrant, and P&B's faith in offering him a job proved justified. By 1928 Rae already had much responsibility, received a good salary and was recommended for another substantial pay increase to ensure the firm retained his services. Of a handful of housing loans granted to P&B Launceston employees to encourage their best workers to stay with the firm, Rae was the youngest of this select group to be awarded a loan during the 1920s.<sup>101</sup>

K&K (Tas) was likewise willing to offer employment to migrants deemed unsuitable to receive assisted passages by the government. In December 1922, cotton worker and ex-serviceman, Walter Morris, was nominated by his friend William Chadwick,<sup>102</sup> an employee of K&K (Tas). A position undertaking general work had been secured for Morris at K&K.<sup>103</sup> Morris's request for the rebate hit a snag when it was discovered that his left leg had been amputated. With permission needed from the Minister for Home and Territories before Morris could land in Australia, it was decided that no rebate could be granted. Morris subsequently cancelled his nomination, intending to make his own way to Australia, and then nominate his wife and family upon arrival.<sup>104</sup>

By the late 1920s Launceston's British funded textile mills were increasingly aware of the sensitivity surrounding the continued importation of labour. When K&K (Tas) nominated finisher, Percy Sykes, and his family in July 1928, the company acknowledged it was "not quite fair to bring out unskilled workers whilst the present

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By the late 1920s Elliott Rae had been joined by the rest of his family, and it appears that eyesight problems were a family trait and could cause some work-place difficulties. In September 1928, Elliott's mother, Mrs. Dorothy Rae, confidentially wrote to P&B Manager, Arthur Procter. She complained about the treatment her younger son, David, was receiving from his superior in the dye-house, William Ferguson. While Procter could not fault David's performance, Ferguson had already told David's mother that the boy's eyesight was a serious drawback in his work, a claim Mrs. Rae disputed. Dorothy Rae pointed out that optometrists in both Scotland and Tasmania had verified that David's eyesight was normal with spectacles (the latter consultation at Ferguson's request), adding that Ferguson was the only one who seemed to think David's eyesight was bad.

Dorothy Rae, To ARP, 11/9/1928 & 21/9/1929; ARP, To Dorothy Rae, 19/9/1928: P&B, Private Correspondence Ex. Alloa.

<sup>101</sup> See sections on 'Migrant Accommodation' in chapter 6, 'Wages' in chapter 7, &.

J.E. Rae, To ARP, 14/11/1928; ARP, To P&B, Alloa, 13/11/1928; Cablegram from Alloa, Lodged 22/12/1928; & ARP, To P&B, Alloa, 30/1/1929: P&B, Private Correspondence Ex. Alloa.

<sup>102</sup> 'State of Tasmania, Assisted Immigration by Nomination', 24/12/1922: SDW4, M9/307.

Bill Chadwick stayed with K&K (Tas) until his retirement, taking over from Jim Holt when he retired as yarn production manager.

Interview with P.M. Hart, 24/11/1995.

<sup>103</sup> 'State of Tas, Assisted Immigration by Nomination', 24/12/1922; & Assistant Immigration Officer, To Immigration Officer, Hobart, 3/1/1923: SWD4, M9/307.

unemployment exists”.<sup>105</sup> While recognising that trade was presently depressed, K&K claimed Sykes’ introduction had already been delayed, and he was only required because of his special qualifications as a finisher. The Department responded that it was “unlikely” nominations for unskilled workers would be approved at present anyway, but accepted K&K (Tas)’s nomination for this skilled worker. Sykes arrived in Melbourne in late 1928.<sup>106</sup> Sykes’ skills may not have been locally available, but his wife was a weaver.<sup>107</sup> While no information is available to confirm or deny, she was almost certainly employed at K&K’s mill, enabling the introduction of yet another non-essential worker during this period.

Reservations about approving family-reunion nominations when a job had been arranged for the nominee at one of the mills had increased by the decade’s end. In March 1929, Archibald Donaldson, an employee of P&B Launceston, nominated his brother, Alexander, and family. A position had been secured for Alexander at the mill.<sup>108</sup> With Alexander’s intended job as a wool classer classified semi-skilled, Archibald was informed that the nomination was unlikely to be approved unless for a skilled position. Archibald responded that his brother had worked alongside the present Launceston foreman at P&B’s Scottish mill for some years, and only a man with years of experience would be employed. This seems to have been one instance where the company used its migrants employees to nominate a worker they wanted, rather than doing it themselves. Archibald pointed out that the position had been arranged for his brother, and was only available to his brother. If the nomination was turned down, Alexander intended finding other means to reach Tasmania and take up the job.<sup>109</sup> The Donaldsons won. Alexander arrived in August that year.<sup>110</sup> Like K&K (Tas), P&B Launceston also continued to nominate skilled workers towards the end of that decade. John Dunley and his family were brought out by the company in late 1929, Dunley to replace a foreman wool sorter who had recently passed away.<sup>111</sup>

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<sup>104</sup> Deputy Director, Memo to Immigration Officer, Launceston, 1/10/1923: SWD4, M 9/307.

<sup>105</sup> Officer-in-Charge, To Director, State Immigration, 24/7/1928: SDW4, M 9/845.

<sup>106</sup> Director, Labour & Immigration, To K&K, 13/11/1928: SWD4, M 9/845.

<sup>107</sup> ‘State of Tas, Assisted Immigration by Nomination’, 23/7/1928: SWD4, M 9/845.

<sup>108</sup> ‘State of Tas, Assisted Immigration by Nomination’, 2/3/1929: SWD4, M 9/880.

<sup>109</sup> The Officer-in-Charge told the Director of State Immigration that Archibald was a “good steady type of individual, and if his brother resembles him he is the right kind of migrant physically”.

Officer-in-Charge, Industrial Department, To Director, State Immigration, 4/3/1929: SWD4, M 9/880.

<sup>110</sup> Director, Labour & State Immigration, To A. Donaldson, 1/7/1929: SWD4, M9/880.

<sup>111</sup> Officer-in-Charge, To Director, State Immigration, 10/9/1929: SWD4, M9/925.

Despite difficulties actually stopping the employment of migrants at the mills, the government may have been right to hold reservations about the continued introduction of skilled textile workers during the late 1920s. This was not necessarily to appease locals, but because of the implications for the migrants themselves - as already seen through the difficulties experienced by Rapson's unemployed migrant workers. In April 1932, textile worker, Robert Heyward of Invermay, nominated his wife and four year old son to join him in Tasmania. Robert had come out in December 1929, following his brother James.<sup>112</sup> Unemployment subsequently kept Robert from nominating his family for over three years. By April 1932 Robert was described as being "in fairly regular employment" at Reliance Worsted Mills, and his wife (a weaver) was also to work at that mill.<sup>113</sup> With Reliance recently commencing a night shift, the manager was prepared to guarantee Robert three months employment, although Robert believed he also had "a good chance" of securing a position at K&K (Tas) as a Loom Tuner in the near future.<sup>114</sup> Neither of these prospects eventuated. In November that year Heyward began a one month trial at Waverley Woollen Mills after another period of unemployment. The position was to be permanent if he proved suitable.<sup>115</sup> Heyward's family had finally arrived by early 1933, but difficulties repaying the Commonwealth loan suggest their employment situation remained unstable.<sup>116</sup>

In cases where the government did clamp down on textile workers introducing family members, they appear not to have always discriminated in the most logical manner. In March 1930, Stanley Hoyle, an employee at Reliance Worsted Mills, nominated his 48 year old widowed mother-in-law, Ellen Parker.<sup>117</sup> Although authorities initially suggested Parker's nomination be approved, it was subsequently rejected because of unemployment levels. The family made a plea for special consideration. Parker had no other living relatives, and intended to keep house for her daughter who also worked at Reliance. Obviously aware of authorities' concerns and demonstrating some knowledge of immigration regulations, the family pointed out that domestics were one clause under which females could be admitted. They added that

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<sup>112</sup> 'State of Tas, Immigration by Nomination', 22/4/1932: SWD4, M 9/950.

<sup>113</sup> 'Joint Commonwealth & State Government Assisted Migration Scheme, Personal or Individual Nomination': SWD4, M 9/950.

<sup>114</sup> Officer-in-Charge, To Administrator, Hobart, 27/4/1932: SWD4, M 9/950.

<sup>115</sup> Officer-in-Charge, To Administrator, State Immigration Department, 22/11/1932: SWD4, M 9/950

<sup>116</sup> Officer-in-Charge, Immigration, Memo to Weymouth, Launceston, 23/1/1933: SWD4, M 9/950.

<sup>117</sup> 'State of Tas, Assisted Immigration by Nomination', 10/3/1930: SWD4, M9/943.

Parker's daughter held a skilled position, so her mother's presence would not be responsible for allowing the daughter to take up a position that another local could assume. The case was thus reconsidered and authorities decided to approve.<sup>118</sup> Before Parker left Britain, however, authorities again changed their mind after discovering she was illiterate. The nomination was eventually cancelled in November 1930.<sup>119</sup> As Parker's illiteracy had no bearing upon her ability to perform domestic duties and rather provided a stronger case for needing to be near her family, the decision was certainly a reinforcement of original concerns about the unemployment level. The cancellation of Parker's nomination coincided with the new Prime Minister, J.H. Scullin's, announcement that economic conditions necessitated assisted migration being restricted solely to dependents of people already in Australia. This was followed by the cancellation of many nominations already approved. As some of the cases so far discussed reveal, however, from this point on the government was reluctant to approve even nominations which fitted within these guidelines.<sup>120</sup>

### **Migrant Accommodation**

Responsibility for housing migrants was an important issue in the migration process, but no one involved with migration appeared willing to become involved with housing. When government assistance to house migrant workers was raised by various firms seeking to establish in Tasmania, housing was always specified as the nominators' responsibility. Nevertheless, State authorities had little experience with industrial migrants until the establishment of K&K (Tas), and sought confirmation as to housing responsibility when negotiations to introduce K&K's migrant workers began in the early 1920s. Although the pertinent bureaucrat believed housing would be met by the company, he conferred with his Minister anyway.<sup>121</sup>

With the State free of responsibility for housing and construction of the mill under way, K&K (Tas)'s directors first proposal to cater for its migrant labourers was

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<sup>118</sup> It was added that there was currently a shortage of females weavers.

Officer-in-Charge, To Acting Director, State Immigration, 15/5/1930: SWD4, M9/943.

Secretary, Development & Migrant Commission, Memo to Acting Director, Labour and State Immigration, 6/6/1930: SWD4, M9/943.

<sup>119</sup> Director, Migration & Settlement Office, London, To Director, Labour & State Immigration, 18/8/1930: SWD4, M9/943.

<sup>120</sup> Roe, *Australia, Britain, and Migration*, pp.139-144.

<sup>121</sup> Acting Director of Agriculture, Agricultural and Stock Department, Hobart, Memo to Minister of Agriculture, 18/1/1921: PD1 55/3/21; & Director of Agriculture, Memo to Minister of Agriculture, 18/1/1921: SWD4, M 9/55.

to build a number of workmen's cottages upon a portion of their land at Invermay.<sup>122</sup> This had also been the company's preferred approach when still considering Hobart as a possible location. In 1917 K&K had inquired about housing workers near the Cascade Estate,<sup>123</sup> the Hobart Council and Henry Reynolds responding that there was ample room in the vicinity of the mill to build housing for the company's work force.<sup>124</sup> There was no indication that the Council's involvement was to extend beyond making land available, so the company was presumably to build the houses. The company's financial restraints when mill construction began meant that a similar idea did not progress far when raised as to Launceston in 1921.

In June that year K&K instead requested that local directors bring the matter of housing to the attention of local authorities. Wearing dual hats of company director and local councillor, Percy Hart asserted that there was no prospect of receiving help from either government or municipal authorities.<sup>125</sup> Subsequent inquiries by other companies confirmed Hart's appraisal of the Council's position. When a proposed cotton manufacturing firm made inquiries in 1927 about housing a work force of between 400 and 500 females, the Council twice reiterated that it had no power to undertake construction of housing.<sup>126</sup> The Council instead told how a large subdivision had been approved in the vicinity of Rapson Tyre and Rubber Co. and that private building constructions in that region were increasing.<sup>127</sup> The Council then offered to sell additional land to be used for housing purposes by the cotton company.<sup>128</sup>

No further reference to housing K&K's migrants appears until after the first contingent of migrants necessary to begin production had arrived. As such, there is no indication as to where these migrants stayed upon arrival, or as to what, if any, assistance was provided by the company. When the issue of housing next re-emerged in April 1923, K&K (Tas) directors were discussing whether to sell or let the remaining two blocks of Barnard's land (part of the company's estate) to migrant employee

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<sup>122</sup> 'Launceston's Woollen Mills ... First Annual Meeting Held', *Telegraph*, 25/5/1921: K&K Press Cuttings.

<sup>123</sup> Agent-General, To Premier, 5/7/1917: PD1 118/19/17.

<sup>124</sup> Acting Town Clerk, Hobart, To Secretary to Premier, 10/10/1917; PD1 118/19/17.

Reynolds added that the locality also had the advantage of "a fifteen minutes' tram service".

Henry Reynolds, Deputy Chief Inspector of Factories, To Secretary to Premier, 23/10/1917: PD1 118/19/17.

<sup>125</sup> *Minutes of K&K Directors' Meeting*, 24/6/1921.

<sup>126</sup> Town Clerk, To P.B. Coulston, 14/2/1927; & Town Clerk, To Coulston, 2/3/1927: Launceston City Council, 21/1.6.

<sup>127</sup> Town Clerk, To Coulston, 2/3/1927: Launceston City Council, 21/1.6.

George Brooks and other unspecified mill employees for “buildings” - presumably meaning housing. The resolution was passed, but it would seem that land was sold only to Brooks. Unspecified conditions were imposed upon the purchase if Brooks resold the land.<sup>129</sup>

The following year K&K (Tas) were again making arrangements to sell a 55 X 120 yard plot of the company’s land to migrant engineer, Sam Tuting. While the motivation for selling company land to George Brooks is not given, Tuting’s case suggests that whatever housing assistance was provided had some benefit for the company. Valuing the land at £120, Tuting was to repay the company within three years at 6.5% interest p.a.<sup>130</sup> At the higher end of market interest rates, these were not particularly generous terms.<sup>131</sup> In addition, Tuting’s house was built on the corner of the mill grounds because the company wanted Tuting close enough to be on call.<sup>132</sup> Such an arrangement had obvious advantages to the company. Nevertheless, when plans were made to fence Tuting’s property a month after the original deal, K&K not only decided that Tuting should pay half the fencing costs, but that timber off his site should be used where possible.<sup>133</sup>

Unlike K&K (Tas)’s short-lived proposal to build workers’ cottages, P&B Launceston went ahead with a similar proposal upon their firm’s land. First submitting plans in April 1923 for a proposed subdivision of (what had been) the Glen Dhu Recreation Ground, P&B wanted to begin construction on a road immediately.<sup>134</sup> They were keen to hasten approval for eight proposed cottages through Council so as to retain builders currently working on the factory site. With builders in much demand, the firm feared that a lapse between finishing the factory and starting the cottages

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<sup>128</sup> Town Clerk, To Coulston, 14/2/1927: Launceston City Council, 21/1.6

<sup>129</sup> *Minutes of K&K Directors’ Meeting*, 10/4/1923.

<sup>130</sup> *Minutes of K&K Directors’ Meetings*, 13/6/1924.

<sup>131</sup> In January 1924 interest rates for loans over 3 months ranged from 5.5% - 7%.

S.J. Butlin, A.R. Hall, & R.C. White, *Australian Banking and Monetary Statistics 1817-1945* (Sydney, 1971), p.494.

<sup>132</sup> Interview with P.M. Hart, 24/11/1995.

<sup>133</sup> *Minutes of K&K Directors’ Meetings*, 4/7/1924.

Around 40 years later K&K (Tas) loaned money to a third generation of the Tuting family; company minutes noting the discharge of a mortgage held as security for a £300 loan to G.S.G. Tuting for home building purposes.

*Minutes of K&K Directors’ Meetings*, 22/8/1965: RAK Minute Book, June 1965-June 1976.

<sup>134</sup> W. Stewart, P&B, To Mayor, 26/4/1923: Launceston City Council, Land & Properties - Subdivisions, General (1922-23).

would make it difficult to secure further men.<sup>135</sup> P&B also submitted plans for its best considered-subdivision for additional cottages, but pointed out that this depended largely upon the development of business and whether the land was required for mill extensions.<sup>136</sup> Subsequent mill expansions meant that, apart from one extra cottage the following year, no further housing eventuated. The Council considered the proposed lots to be somewhat narrow, only 35 feet wide (demonstrating the British architectural influence), but decided the layout was satisfactory<sup>137</sup> and granted approval.<sup>138</sup> Only a month before the bulk of P&B's migrant workers arrived, the firm was also planning to build a hostel, presumably for single migrant workers,<sup>139</sup> but these plans did not eventuate either.

As with K&K, the timing of migrant accommodation proposals in relation to when the migrants' arrived implied that P&B did not give housing high priority. When the bulk of P&B's migrants arrived in June, construction of the cottages was not yet under way, although Reynolds informed parliament that the company hoped to begin work immediately.<sup>140</sup> The contract to erect eight cottages at a cost of £7,580 was awarded to J. & T. Gunn Pty Ltd, the work to be completed on or before 20 February 1924.<sup>141</sup> As elaborated upon later, the company's housing policy catered for those it especially wished to retain. With only eight families able to be accommodated even when this housing was completed, it appears that the majority of the migrants were expected to find private rental accommodation. This arrangement seems to have caused some discontent,<sup>142</sup> as Arthur Procter informed P&B Alloa in mid-1924 that housing rentals in Launceston were simply "appalling".<sup>143</sup> Upon arrival the migrant girls, at least, were temporarily accommodated in dormitories at the Girls' Friendly

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<sup>135</sup> Acting Town Clerk, To Premier, 28/3/1923: Launceston City Council, Land & Properties General (1922-23).

<sup>136</sup> W. Stewart, P&B, To Mayor, 26/4/1923: Launceston City Council, Land & Properties, Subdivisions General (1922-23), 21/3.1.

<sup>137</sup> City Engineer, Memo to Acting Town Clerk, 2/5/1923: Launceston City Council, 21/3.1.

<sup>138</sup> Acting Town Clerk, To P&B, 15/5/1923: Launceston City Council, 21/3.1.

<sup>139</sup> City Engineer, Memo to Acting Town Clerk, 2/5/1923: Launceston City Council, 21/3.1.

<sup>140</sup> Eighth Annual Report of the Industrial Department for 1922-23, No. 24, p.7: *Tasmania. Journals and Printed Papers of Parliament*, vol. 1923-24.

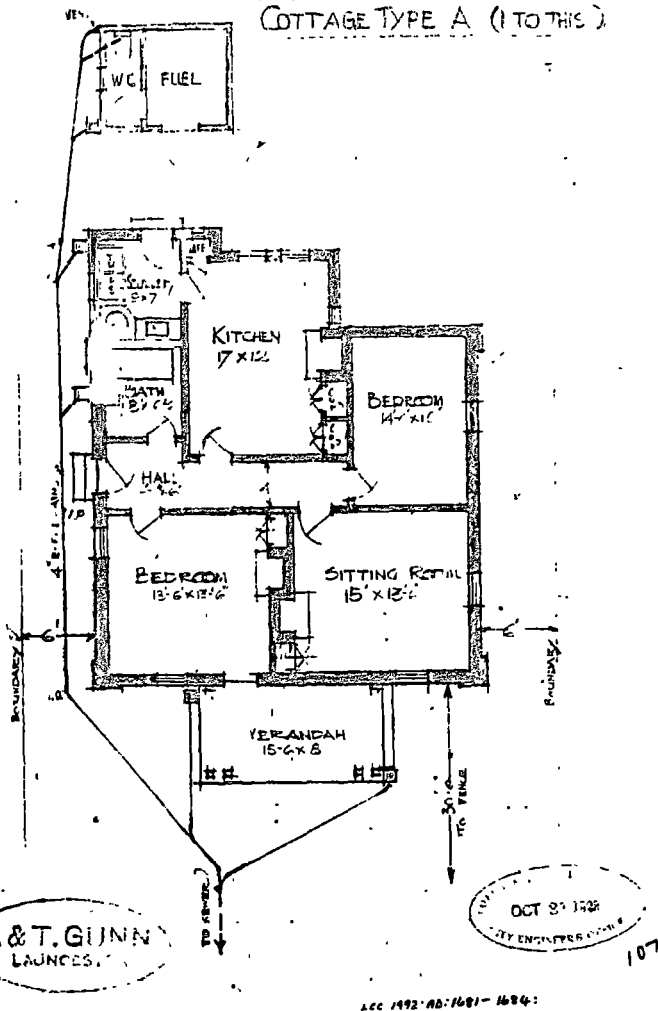
<sup>141</sup> General Conditions of Agreement for erection of Eight Cottages on Glen Dhu Reserve, South Launceston, 8/8/1923: Held by CP.

<sup>142</sup> For example see ARP, To W.T. Procter, 11/4/1924: P&B, Private Correspondence Ex. Alloa.

<sup>143</sup> ARP, To T. Stirling, Alloa, 9/6/1924: P&B, Private Correspondence Ex. Alloa.

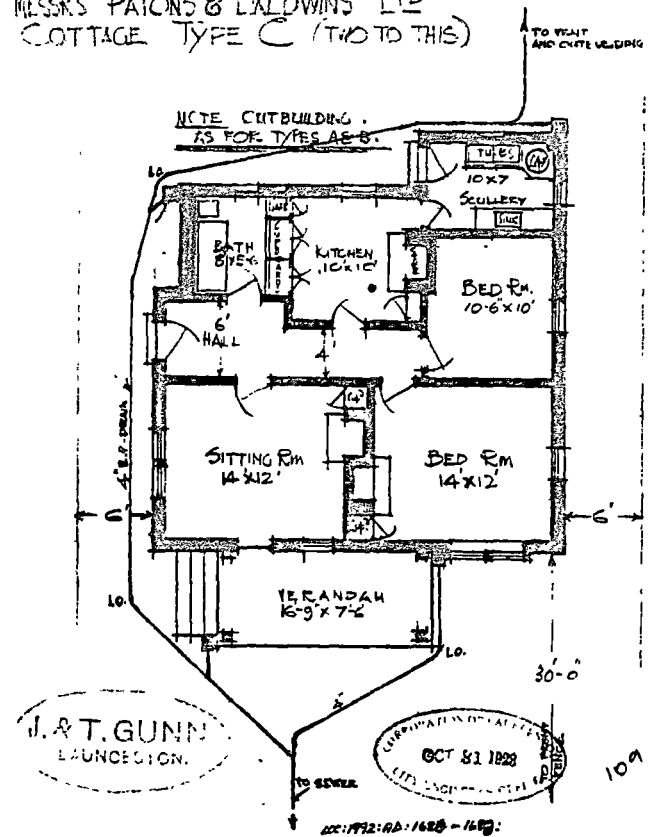


MESSRS PATON'S & BALDWIN'S LTD  
COTTAGE TYPE A (1 TO THIS)

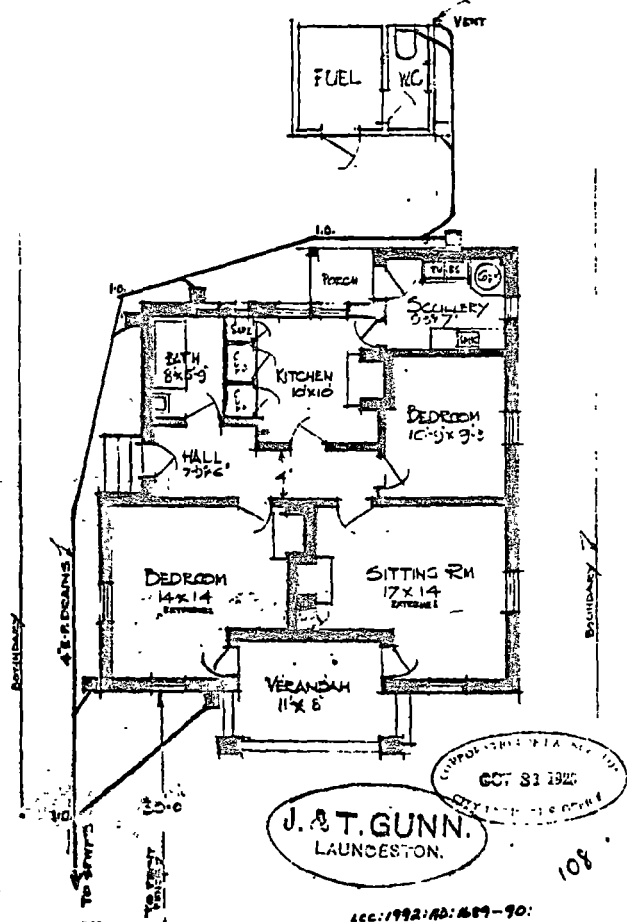


20. Plans for P&B's cottages.

MESSRS PATON'S & BALDWIN'S LTD  
COTTAGE TYPE C (TWO TO THIS)



MESSRS PATON'S & BALDWIN'S LTD  
COTTAGE TYPE B (TWO TO THIS)



Society. One migrant amongst these first arrivals, Mrs. Esther Marshall, later recalled the placement as “like being in a hospital ward”.<sup>144</sup>

By November 1923 the first three cottages were “nearing completion”,<sup>145</sup> the *Examiner* providing an update on the progress of P&B’s small village for married English workers in January 1924. Conveniently designed and mostly of five rooms, the first cottage was now practically completed.<sup>146</sup> (See illustration No. 20.) The cottages were, however, the cause of some discontent. Nine married foremen had been promised housing before leaving Britain, but only eight cottages were constructed.<sup>147</sup> The company’s solution was to draw lots to determine who would miss out.<sup>148</sup> Only taking part in the ballot under protest, George Shields was the unsuccessful candidate. In the absence of written documentation confirming Shields’ claim that he had been promised a house by one of the British directors, P&B Launceston’s management decided he had fairly lost the ballot. Shields continued to protest.<sup>149</sup> The relevant director subsequently confirmed Shields’ claim, so P&B Launceston was authorised to build or buy Shields a suitable house.<sup>150</sup> A ninth cottage was therefore constructed.<sup>151</sup> Problems did not, however, end there. In April 1924 one of the new tenants, George Barker, caused dissent amongst other foremen by broadcasting details of the special terms by which he paid only 15s. per week rent.<sup>152</sup> As will be later seen, Barker was the cause of some trouble within the mill.

During the 1920s P&B’s management was approached on a couple of occasions by occupiers of the company’s cottages wishing to purchase their residences. Procter advised Alloa that it was a common Tasmanian practice “for a man occupying a house to pay for it by means of some rent and purchase system”, and asked if the company would consider either a straight purchase or rent-and-purchase.<sup>153</sup> P&B Ltd declined to sell because they felt these houses should be retained “to meet the

<sup>144</sup> ‘A Sentimental Return’, *Examiner*, 14/6/1973.

<sup>145</sup> ARP, To David St. John, Town Hall, 7/11/1923: Launceston City Council, Health - Sewerage & Drainage (1923), 18/6.2.

<sup>146</sup> *Examiner*, 26/1/1924, p.6.

<sup>147</sup> P&B Launceston, Telegram to P&B Alloa, 22/12/1923: P&B Correspondence, 1923-24.

<sup>148</sup> ARP, To P&B Alloa, 16/1/1924: P&B Correspondence, 1923-24.

<sup>149</sup> ARP, To Alloa, 1/2/1924: P&B Correspondence, 1923-24.

<sup>150</sup> Telegram from P&B Alloa, 24/3/1924: P&B Correspondence, 1923-24.

<sup>151</sup> ARP, To P&B Alloa, 28/3/1924: P&B Correspondence, 1923-24.

<sup>152</sup> ARP, To W.T. Procter, 11/4/1924: P&B, Private Correspondence Ex. Alloa.

<sup>153</sup> ARP, To P&B, Alloa, 19/9/1928: P&B, Private Correspondence Ex. Alloa.

requirements of our own work people as they may arise from time to time".<sup>154</sup> These cottages would remain in the company's hands for many years, a 1961 *Examiner Supplement* reporting that a number of employees were still housed near the factory in company cottages.<sup>155</sup>

P&B Launceston also assisted the accommodation needs of certain migrants through provision of company housing loans, an established practice at the home firm. The loans were only granted to key managerial or senior office staff, however, and were used to encourage employees to remain with the firm. The loans included a clause, for example, whereby full repayment of all monies owed fell due if the borrower ceased to be employed by the company.<sup>156</sup> This provided a good incentive to stay. The company's motivation for granting loans was even more apparent in a 1928 claim that approving a particular loan would make the employee "seriously consider the matter" should he feel tempted to leave the company and relocate to the mainland.<sup>157</sup> Problems retaining labour are discussed in greater detail in the subsequent chapter, but it should be noted that they were substantial for both mills and help explain why such incentives were offered. During the 1920s the company granted housing loans to wool buyer Watson Dawson,<sup>158</sup> chemist William Ferguson,<sup>159</sup> accountant A.D. Peacock,<sup>160</sup> drawing and spinning overlooker Duncan Ramsay,<sup>161</sup> future general manager J.B. White,<sup>162</sup> and the earlier mentioned John Elliott Rae.<sup>163</sup>

Although offering more generous interest rates than K&K (Tas), these rates still caused some discontent. Dawson and White's interest rates were set at only 4%,

<sup>154</sup> W.T. Procter, To ARP, 27/11/1928: P&B, Private Correspondence Ex. Alloa.

<sup>155</sup> *Examiner Supplement*, 15/8/1961, p.23.

<sup>156</sup> Martin & Hobskirk Shields & Heritage, To ARP, 2/9/1925: P&B, Private Correspondence Ex. Alloa.

<sup>157</sup> ARP, To P&B, Alloa, 15/11/1928: P&B, Private Correspondence Ex. Alloa.

<sup>158</sup> Telegram to P&B Alloa, 26/2/1926: P&B Correspondence, 1923-24.

<sup>159</sup> P&B Alloa, Telegram to P&B Launceston, 25/2/1924: P&B Correspondence, 1923-24.

<sup>160</sup> ARP, To P&B, Alloa, 28/4/1925; & W.T. Procter, To ARP, 26/6/1925: P&B, Private Correspondence Ex. Alloa.

<sup>161</sup> Manning, Halifax, To ARP, 26/11/1928: P&B, Private Correspondence Ex. Alloa.

If a housing loan was intended to encourage Ramsay to stay with the company, it was effective. Directors began making arrangements for Ramsay's impending retirement as manager of the drawing and spinning department at P&B Launceston in November 1960, his retirement noted in late January 1961.

*Minutes of P&B Directors' Meetings*, 22-23 November, 1960: L. Denham, Book 2; & 25-26 January 1961: L. Denham, Book 1.

<sup>162</sup> Telephone message to John Forrester-Paton, Alloa, 16/8/1927: P&B, Private Correspondence Ex. Alloa.

<sup>163</sup> J.E. Rae, To ARP, 14/11/1928; ARP, To P&B, Alloa, 15/11/1928; Cablegram from Alloa, Lodged 22/12/1928; & ARP, To P&B, Alloa, 30/1/1929: P&B, Private Correspondence Ex. Alloa.

while the others were being charged 6%.<sup>164</sup> The parent company claimed that Dawson and White's rates had been fixed in error.<sup>165</sup> This argument might have been plausible for Dawson, as his was the first loan granted, but is difficult to accept for White, since Ferguson and Peacock's 6% rates were set over two years before White arrived in Launceston. This may have been a genuine mistake, but it is also possible that lower rates reflected the relative importance of those involved. As later seen, Dawson arguably received greater accolades than any other Launceston employee, while White was being groomed for a top managerial position. Ill-feeling over the different interest rates arose largely because Peacock, as the accountant, was aware of the discrepancy and "felt somewhat hardly" about his higher charge.<sup>166</sup> Procter therefore suggested that Peacock's terms be reassessed.<sup>167</sup> Another problem with the scheme was that, until late 1928, no arrangements existed for repayment of the loans' principal. P&B Halifax asked that this be rectified.<sup>168</sup> They also suggested that, if some method of repayment was introduced, a reduction of the interest rate for those paying 6% might be considered. Peacock's interest rate was subsequently reduced from 6% to 4%,<sup>169</sup> but there is no mention of similar adjustments for the others. It is more likely that Peacock's adjustment was the result of what he knew, and that the company had no intention of altering rates for the others affected.

Further demonstrating that P&B Ltd viewed housing loans purely as a necessary ploy to retain certain Launceston staff, the company had long been unhappy with allowing any such loans to P&B Launceston staff. Concern about housing loans

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<sup>164</sup> ARP, To P&B, Alloa, 19/9/1928: P&B, Private Correspondence Ex. Alloa.

According to a letter dated 8 January 1929, Dawson had borrowed £1,500 at 4%; Ramsay £1,000 at 6%; Ferguson £1,500 at 4%; Peacock £1,363-12-6 at 6%; White £1,200 at 4%; and Rae £1,000 at 6%.

Manning, Halifax, To ARP, 8/1/1929: P&B, Private Correspondence Ex. Alloa.

<sup>165</sup> The claim was made by both P&B Halifax and Alloa on consecutive days in November 1928, Halifax claiming the 4% rate had been fixed in error, while Alloa said it "was the result of a misunderstanding, our intention being to standardise 6%".

Manning, To ARP, 26/11/1928; & W.T. Procter, To ARP, 27/11/1928: P&B, Private Correspondence Ex. Alloa.

<sup>166</sup> ARP, To P&B, Alloa, 19/9/1928: P&B, Private Correspondence Ex. Alloa.

<sup>167</sup> ARP, To P&B, Alloa, 15/11/1928: P&B, Private Correspondence Ex. Alloa.

<sup>168</sup> The parent company gave the example of how their own loans system worked. In most cases loans were paid off at 10% per annum, 4% of which was interest, a low rate "even for this side". Although nothing was written into agreements requiring Launceston loan recipients to pay any principal off their loans, it seems that some were doing so anyway. In January 1929, for example, Ferguson had already paid a considerable amount off his money owing.

Manning, To ARP, 26/11/1928; & ARP, To P&B Alloa, 30/1/1929: P&B, Private Correspondence Ex. Alloa.

<sup>169</sup> Manning, To ARP, 22/3/1929: P&B, Private Correspondence Ex. Alloa.

was first expressed in late 1927, William Procter telling Arthur Procter that he hoped these loans would “be kept to a minimum” as the company did not care “to be interested in more housing property than is absolutely necessary”.<sup>170</sup> When approving Elliott Rae’s loan late the following year, the parent company again told Procter to discourage such loans.<sup>171</sup> Claiming to be “rather adverse” to granting such advances because they did not want a large sum of money invested in housing property, P&B Ltd expressed hope that no further applications would have to be considered for some time.<sup>172</sup> Nevertheless, subsequent correspondence shows that requests for, and approvals of, housing loans continued thereafter.<sup>173</sup>

### **Repatriating Staff**

While immigration regulations required companies take responsibility for initially housing migrant employees, P&B had other obligations as part of the migrants’ employment contracts. One such responsibility was the payment of fares to repatriate female migrants who wished to return to Britain once their term expired. No information was located on what, if any, guarantees, K&K made to its introduced staff. A year after the first group of P&B’s migrants arrived in Launceston, P&B Alloa suggested the Launceston mill begin ascertaining how many female migrants wanted to return home when their two year contracts expired. Inquiring whether the mill could carry on without the girls if need be, P&B Ltd chairman, William Procter, pointed out that there was a possibility that all the girls might want to leave.<sup>174</sup> No response was immediately forthcoming, but in June the following year the girls’ contracts were nearly up and Alloa again asked how many girls wanted to return home.<sup>175</sup> The mill’s success in maintaining its female migrant employees was good. Only two girls had already left the mill’s service; one at the expiration of her two year contract to marry a local farmer, and another had moved to Melbourne after only one year and was believed to have since married. How P&B handled the second girl breaking her contract was not specified. Of the remaining female migrants, all except two of the younger girls chose to remain, and even those two had wanted to stay but their mothers insisted they come

<sup>170</sup> W.T. Procter, To ARP, 27/11/1928: P&B, Private Correspondence Ex. Alloa.

<sup>171</sup> Cablegram from Alloa, 22/12/1928: P&B, Private Correspondence Ex. Alloa.

<sup>172</sup> W.T. Procter, To ARP, 20/12/1928: P&B, Private Correspondence Ex. Alloa.

<sup>173</sup> See P&B correspondence, 1929 onward.

<sup>174</sup> T. Stirling, To ARP, 22/7/1924: P&B, Private Correspondence Ex. Alloa.

<sup>175</sup> W.T. Procter, To ARP, 16/6/1925: P&B, Private Correspondence Ex. Alloa.

home.<sup>176</sup> This is not to suggest that the female migrants' contracts posed no difficulties. As later shown in chapter 7, the girls had a number of battles with management over contractual conditions during this period.

In comparison with their male counterparts, however, the women appeared reasonably content. Towards the end of the migrants' second year in Launceston, the possibility of repatriating certain unspecified male migrants had also been raised. P&B Alloa informed the Launceston mill that, while the company had contracted to repatriate any women wishing to return after two years service, no such agreement had been made with the men and would not be considered.<sup>177</sup> Closer inspection reveals that discontent amongst P&B's male migrants was rife, and suggests why some men were keener to return home than were the women.

### **Transferral of Parochial Jealousies: P&B Alloa vs P&B Halifax**

Part of the trouble appears to have stemmed from parochial jealousy between the two branches of the recently amalgamated firm. Headquarters of P&B Ltd was in Halifax, originally the base of the Baldwin side of the business. Nevertheless, correspondence indicates that most of the British input into P&B Launceston came from the Scottish branch in Alloa, headquarters of the Paton business prior to amalgamation. Close links between P&B in Scotland and Launceston are also suggested by the Launceston mill having an unbroken line of Scottish managers from 1923 to 1966.<sup>178</sup> Company records offer no reason why P&B Alloa seemed to have greater input into P&B Ltd's first overseas manufactory. One possible explanation might be that the Melbourne based distributor, P&B (Australasia) Ltd, had operated as part of the Paton company for almost 30 years prior to the 1920 amalgamation. Since the Launceston mill and Melbourne distributor were to work closely together, it may have been deemed practical to allow P&B Alloa to take an upper hand in the new mill.

Early experiences at P&B Launceston indicate that some rivalry existed between P&B at Alloa and Halifax. A disproportionate number of staff problems at the Launceston mill were associated with migrants chosen by P&B's Halifax branch. One

<sup>176</sup> ARP, To W.T. Procter, 9/9/1925: P&B, Private Correspondence Ex. Alloa.

<sup>177</sup> W.T. Procter, To ARP, 27/4/1925: P&B, Private Correspondence Ex. Alloa.

<sup>178</sup> The successive Scottish managing directors included A.R. Procter, J.B. White, Herbert Gray, and Alex Mitchell.

'Prepared for June 1969 News Reel, Patons in Tasmania, The Story of 45 Years Progress': 'Some Old Records & Information of Interest from 1923'.

such migrant previously associated with the Halifax mill was John McVann. Arriving in 1922, McVann was the first mill manager<sup>179</sup> and P&B's Launceston agent.<sup>180</sup> McVann's engagement was a short-term one of only 18 months,<sup>181</sup> during which time he was to oversee installation of machinery, hiring of Australian staff, and progressing the mill to operational stage. By early 1924, however, his presence had become more a hindrance than help. Describing him as a "thorn in the flesh" for general manager Arthur Procter,<sup>182</sup> P&B Alloa bemoaned that McVann was "making himself unpleasant", and believed he had "no reason to grouse".<sup>183</sup> McVann's attitude stemmed from a perception that he, rather than Arthur Procter, should have been promoted to general manager when Launceston's first general manager, W.M. Stewart (Junior), was transferred back to Melbourne soon after production began. P&B Ltd maintained that McVann had never been given any reason to think this would be the case, and knew he had been sent out specifically to help start the mill because of his large and varied practical experience. McVann did seem to have a justifiable grievance. Arthur Procter had joined the firm in 1914<sup>184</sup> and, after receiving special training in P&B Alloa's wool department,<sup>185</sup> had been sent to Launceston in early 1923 to take charge of the mill's raw wool section<sup>186</sup> and act as wool buyer.<sup>187</sup> With Procter's experience as mill management acknowledged as "not large",<sup>188</sup> his elevation to general manager was likely the result of nepotism. Arthur Procter's father (deceased) had been a director of the Paton's company, while his uncle, William Procter, was a current

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<sup>179</sup> Handwritten letter from Bill Grierson, Hagley, To A.B. Stirling, P&B personnel manager, 20/11/1968: P&B Mill History File.

<sup>180</sup> *Examiner*, 26/1/1924.

<sup>181</sup> The company later reiterated that McVann's job at P&B Launceston was "never intended to be permanent".

Alloa, To ARP, 28/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>182</sup> Alloa, To ARP, 28/2/1924: P&B, Private Correspondence Ex. Alloa.

'Original Staff from P&B Mills in the UK': P&B Mill History File.

<sup>183</sup> W.T. Procter, To ARP, 6/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>184</sup> 'The Romance of Patons Yarn' by Alex Forrester-Paton, To A.P. Mitchell, 19/5/1952: P&B, 'Some Old Records of interest - From 1923'.

<sup>185</sup> 'Original Staff from P&B Mills in the UK': P&B Mill History File.

Handwritten letter from Bill Grierson, Hagley, To A.B. Stirling, Personnel Manager, 20/11/1968: P&B Mill History File.

<sup>186</sup> 'P&B Spinning Mills at Launceston, 13/5/1969': P&B Mill History File.

<sup>187</sup> 'Original Staff from P&B Mills in the UK': P&B Mill History File.

Handwritten letter from Bill Grierson, Hagley, To A.B. Stirling, Personnel Manager, 20/11/1968: P&B Mill History File.

<sup>188</sup> P&B Alloa, To ARP, 28/2/1924: P&B, Private Correspondence Ex. Alloa.

director of P&B Ltd (becoming chairman in 1925),<sup>189</sup> and their family tree traced back to the origins of the Paton's company. Arthur's paternal grandmother was granddaughter of company founder, John Paton.<sup>190</sup> William Procter subsequently advised Arthur to "get all you can out of [McVann]", as the company felt McVann was unlikely to stay on once his contract expired.<sup>191</sup> P&B Alloa also asked whether, character faults aside, Arthur Procter felt it desirable for the "efficient conduct of the business" to retain McVann's services for a little longer.<sup>192</sup> Arthur expressed surprise at this inquiry, pointing out that, because he had no experience in "the coating trade", and McVann claimed to have plenty, the latter's retention was necessary;<sup>193</sup> presumably this was why McVann thought the position of general manager should have been his.

McVann's disruptive behaviour appears widespread. Letters home from other migrant over-lookers show McVann interfering with, and undermining the authority of, senior personnel. In the only recorded instance of religious motivated ill-will during this period, McVann, evidently himself a Catholic, upset many by granting leave of absences and "other privileges" without the consent of the relevant foremen, "especially in the case of Roman Catholics".<sup>194</sup> With McVann continuing to make a nuisance of himself, in October 1924 P&B Alloa informed P&B Launceston that they did not consider him a permanency and suggested Procter "dispense of his services as soon as ... the need for him ... past".<sup>195</sup> McVann was repatriated, his presence noted back in Britain by the following December.<sup>196</sup>

McVann was not the only migrant chosen by Halifax causing problems. George Barker had arrived in 1923 to take charge of the Launceston mill's carding and

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<sup>189</sup> William Procter had been associated with P&B Ltd since its inception, and before that with John Paton, Son & Co. When he died in January 1938, his services with these companies had extended over 59 years, the last 13 as Chairman of Directors. Procter was well respected amongst his colleagues, remembered as winning "the universal esteem of all who worked under him".

*Report of Proceedings at the 19th Annual Meeting of Shareholders, 20/7/1938: Held by CP.*

<sup>190</sup> 'The Romance of Patons Yarn' by Alex Forrester-Paton, To A.P. Mitchell, 19/5/1952: P&B, 'Some Old Records of interest - From 1923'.

<sup>191</sup> W.T. Procter, To ARP, 6/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>192</sup> P&B Alloa, To ARP, 28/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>193</sup> ARP, To W.T. Procter, 11/4/1924: P&B, Private Correspondence Ex. Alloa.

<sup>194</sup> P&B Alloa, To ARP, 28/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>195</sup> W.T. Procter, To ARP, 13/10/1924: P&B, Private Correspondence Ex. Alloa.

<sup>196</sup> The reference related to a recent interview William Procter had held with McVann to discuss certain issues at P&B Launceston. McVann was reported to be "almost" enthusiastic about the position of things in Launceston, but also criticised a number of practices.

W.T. Procter, To ARP, 30/9/1925: P&B, Private Correspondence Ex. Alloa.



combing department.<sup>197</sup> By February 1923 Barker was already noted as being “a little difficult”, but beginning to settle down.<sup>198</sup> P&B Alloa blamed P&B Halifax for the problems with Barker, contending that Halifax had failed to clarify Barker’s position when he was engaged. In June 1924 Barker began making “preposterous” claims<sup>199</sup> for additional payments to which the mill believed he was not entitled.<sup>200</sup> Maintaining that these claims must be ignored, P&B Alloa expressed regret that Barker was being difficult.<sup>201</sup> Arthur Procter was advised that if Barker gave further trouble, a suitable replacement would be sought for when his contract expired. In April the following year, however, Alloa informed Launceston they were having difficulty finding a successor for Barker and could not consider replacing him. They therefore advised P&B Launceston to offer Barker a pay increase of up to £2 per week to retain him if satisfied with his work.<sup>202</sup> He accepted a £1 increase.<sup>203</sup> With no replacement available, P&B Launceston would have had little choice but to retain Barker even if dissatisfied, the forced retention of troublesome managerial staff adding another dimension to the problems of textile labour shortages in the 1920s.<sup>204</sup>

In April 1924 Arthur Procter tried to convince P&B Alloa that friction within the mill had decreased, and that the men were settling down. He then contradicted this claim by reporting a recent flare up between McVann and William Ferguson, details of which were not provided.<sup>205</sup> Although McVann was from Halifax and Ferguson from Alloa, this was one dispute likely motivated as much by personality clash than by regional parochialism. McVann’s temperament has already been noted, but Ferguson (a chemist who was in charge of the dye house)<sup>206</sup> also appeared to have an abrasive

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<sup>197</sup> Hand-written extract: Mill History File.

<sup>198</sup> W.T. Procter, To ARP, 6/2/1924: P&B, Private Correspondence Ex. Alloa.

<sup>199</sup> P&B Alloa, To ARP, 22/7/1924: P&B, Private Correspondence Ex. Alloa.

<sup>200</sup> ARP, To W.T. Procter, 9/6/1924: P&B, Private Correspondence Ex. Alloa.

Barker and family hailed from Bradford, recognised as the centre of Britain’s textile industry. ‘Original Staff from P&B Mills in the UK’, in Mill History File.

<sup>201</sup> P&B Alloa, To ARP, 22/7/1924: P&B, Private Correspondence Ex. Alloa.

<sup>202</sup> Cablegram, Alloa, To ARP, Received 27/4/1925: P&B, Private Correspondence Ex. Alloa.

<sup>203</sup> ARP, To Alloa, 28/4/1925: P&B, Private Correspondence Ex. Alloa.

<sup>204</sup> Barker was eventually dismissed without notice for “insolent behaviour” in April 1932.

J.B. White, To Directors, Alloa, 19/4/1932: Outward Correspondence 1930-39.

<sup>205</sup> ARP, To W.T. Procter, 11/4/1924: P&B, Private Correspondence Ex. Alloa.

<sup>206</sup> *Examiner* 26/1/1924, p.5.

‘P&B Spinning Mill at Launceston’, 13/5/1969: Mill History File.

personality.<sup>207</sup> Any illusions Procter may have had about harmonious relations within the mill were soon shattered. Mid-way through writing the letter which related McVann and Ferguson's trouble, Procter was informed that George Barker had been telling other employees about his special rent concession (as previously mentioned). Procter was also advised that George Shields had been granted a pay increase of 10s. per week, even though his contract allowed for him to be paid at the same rate as other foremen of equal status. When this got out Procter predicted further unrest.<sup>208</sup> P&B Alloa admitted these were "nasty snags" which might cause trouble, but claimed the changes had been made by Halifax "without our knowledge".<sup>209</sup> Barker and Shields had both been selected from Baldwin branches. Not only does this imply a lack of communication between P&B Halifax and Alloa, but the branches appear to have looked after the interests of their selected migrants, sometimes irrespective of consequences. While impossible to prove either way, it is also conceivable that the branches from which the migrants were drawn may have seen their migrant contribution as an opportunity to rid themselves of certain troublesome employees.

Both P&B Alloa and P&B Launceston appear to have blamed disruption within the Launceston mill upon migrants other than those selected from its Scottish branch. In 1927 Alloa director, John Forrester-Paton, agreed with Procter on "the advisability of sending out Alloa men as far as possible".<sup>210</sup> The statement was in connection to the introduction of a new spinning overlooker for the Launceston mill. As P&B Alloa "unfortunately" did not have a suitable man available, Halifax based William Batty had instead been chosen. Procter's statement suggests that both P&B Alloa and Launceston wanted to avoid future vacancies being filled by migrants of Halifax's choice. This is not to imply that all migrants chosen by P&B Halifax were disruptive. Problems at the Launceston mill were often aggravated by decisions made outside the mill. Migrants causing such problems were also likely a minority. In early 1924, for

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<sup>207</sup> Following a complaint in September 1928 about Ferguson's treatment of a young employee and "abrupt manners", Procter admitted that he was "aware" of Ferguson's "particular temperament and manner".

Dorothy Rae, To ARP, 11/9/1928; & ARP, To Dorothy Rae, 19/9/1928: P&B, Private Correspondence Ex. Alloa.

<sup>208</sup> ARP, To W.T. Procter, 11/4/1924: P&B, Private Correspondence Ex. Alloa.

<sup>209</sup> W.T. Procter, To ARP, 22/5/1924: P&B, Private Correspondence Ex. Alloa.

<sup>210</sup> John Forrester-Paton, To P&B, Launceston, 20/4/1927: P&B, Private Correspondence Ex. Alloa.

example, Arthur Procter claimed that he had found most of the men sent out to be “wholeheartedly loyal”.<sup>211</sup> No comment was made regarding the women.

Although concentration throughout this chapter has focused predominantly upon the negative aspects of the migrant experience, this does not necessarily reflect upon the migrants’ perception of their own experience. Negative incidents were simply more likely to be recorded than were the positives, of which there were many. Industrial migrants arrived with a job already lined up for a company with which most were familiar. Many held positions of authority and this guaranteed them a certain social standing within their new communities. The migrants also had the support of a number of other workers who shared similar experiences to themselves. Factors such as these meant that the industrial migrant generally had many advantages over the ordinary migrant. The differential was probably as wide in the case of Launceston’s textile workers as anywhere in Australia.

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<sup>211</sup> W.T. Procter, To ARP, 6/2/1924: P&B, Private Correspondence Ex. Alloa.



21. K&K (Tas)'s industrial migrants assembled in 1923.

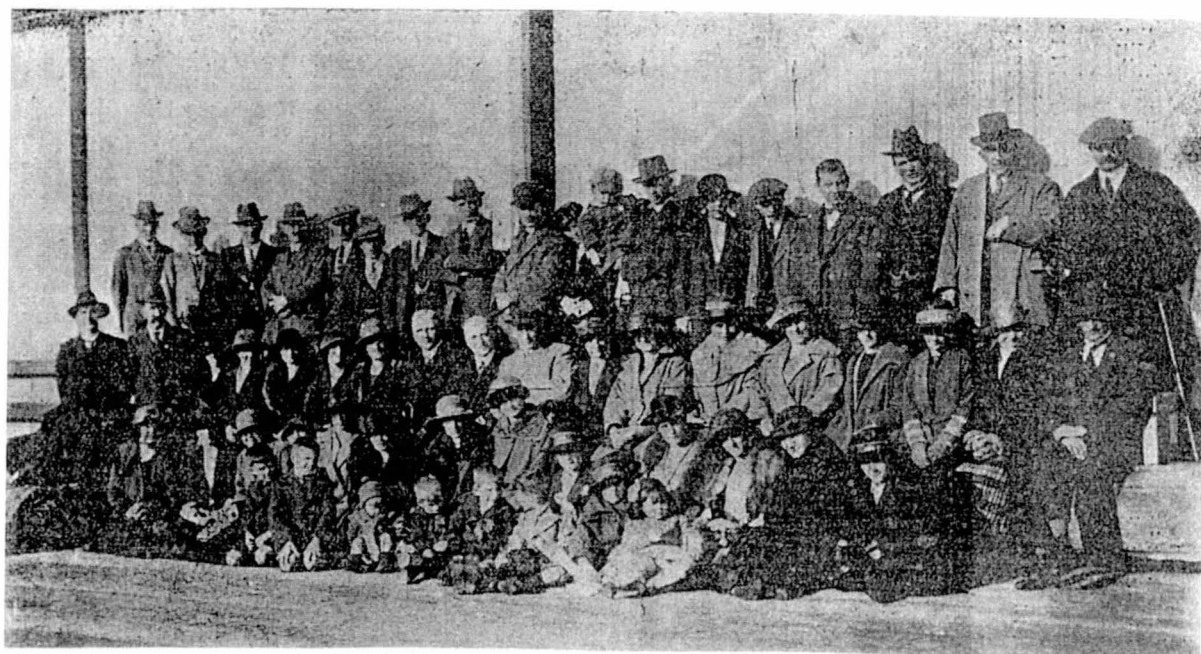
Back row: Sydney Tuting (middle); M. Whitfeld (third from right); Dave Westwood (far right).

Front row from left: unknown; Sam Tuting; unknown; James Butterworth; William Chadwick; George Brooks; James Holt.



22. Above - J. McVann, W. Ferguson and W.M. Stewart (the behatted gentlemen from left to right) welcome Robert & Mary Snadden (on the left) and Agnes & William Comrie (on the right) and their families to Launceston on behalf of P&B. The Snaddens and Comries were amongst the first group of migrants to arrive in June 1923 to take up positions with P&B Launceston.

23. Below - P&B Launceston's first group of industrial migrants pose for a photograph upon arrival in the city. Launceston's mayor, George Shields joins the group (second from the right in the back row).



## CHAPTER 7

### LABOUR ISSUES WITHIN THE TEXTILE INDUSTRY

#### Introduction

In the early nineteenth century the principal of laissez-faire dominated industrial organisation, and governments opposed interference in the freedom of contract between employer and employee.<sup>1</sup> The textile industry had led the Industrial Revolution, and would also lead the way in abuses of labour inherent under such a system. It is not therefore surprising that Tasmania's 1907 Royal Commission on wages and wage earners revealed some of the State's worst labour abuses were occurring in the local textile industry. Anglican Bishop Edward Mercer told the Commission "that the sweating of seamstresses in Hobart was worse than in Manchester".<sup>2</sup> This revelation influenced the implementation of Tasmania's first Wages Board Act in 1910, which guaranteed workers a minimum wage based on cost of living. In 1916, Tasmanian Labor politician W.E. Shoobridge urged Tasmanians not to allow the State's manufacturing industries to develop upon the lines of the crowded, unhealthy manufacturing cities. Shoobridge pointed to Sydney and Melbourne as examples from which to taking warning "of the pernicious effects of the old system".<sup>3</sup>

The establishment of K&K (Tas) and P&B Launceston in the early 1920s did much to allay fears that Tasmania's industrialisation drive would recreate the problems apparent in the British system. As later seen, both mills placed much emphasis upon providing ideal working conditions and other schemes of benefit to workers. Similar schemes at Hobart's two major post-war industries, Electrolytic Zinc and Cadbury-Fry-Pascall, likewise reinforced a positive perception about the path that Tasmania's industrial development was taking. As this study so far has concentrated upon the establishment process of the two companies under consideration, the present chapter concentrates upon labour issues during the establishment process. It therefore focuses more upon such matters as they affected managers and investor, rather than workers.

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<sup>1</sup> F.J. Wright, *The Evolution of Modern Industrial Organisation* (London, 1967) pp.126, 128, 145 & 160.

<sup>2</sup> W.A. Townsley, *Tasmania, From Colony to Statehood, 1803-1945* (Hobart, 1991), p.249.  
See also Richard Davis, *Eighty Years Labour, 1903-1983* (Hobart, 1983), p.8.

The two viewpoints, however, have obvious overlap. As migrant workers were particularly significant to the company's establishment process, they continue to bulk large in our story.

### **Freedom from Industrial Unrest**

Rather than emanating from any altruistic concern for the rights of labour, the conditions K&K and P&B introduced sought to counter that industrial unrest which characterised the post-war period. Tasmanians saw their relative freedom from such turmoil as particularly important. It was used as a means of selling the State to prospective industry. When Launceston Council was attempting to persuade Henry Ford to establish a car manufactory in Launceston in 1924, for example, he was told that the city was "singularly free from industrial disturbances, indicating that the worker in Launceston is more contented than in the larger centres of the Mainland".<sup>4</sup> When trying to persuade Fred Berlei to establish a corset factory in their city in 1926, Council claimed that Launceston was "particularly free of labour troubles".<sup>5</sup> Competition to attract industry was such that companies considering establishment even sought guarantees about stability of labour in their list of demands. In September 1927, Launceston Council received advice that artificial silk manufacturer, British Celanese Company, was considering erecting mills in Australia. Without definite assurances regarding "a fair run both as to tariffs and freedom from labor unrest", the company refused to commit to the move.<sup>6</sup> The company was promptly informed that establishment in Launceston would "automatically eliminate ... the possibilities of labour worries". Some companies agreed. During negotiations between Launceston Council and Rapson Tyre and Rubber Co. in late 1927, Rapson's general manager, H.L.J. Butlin, claimed to be "impressed with the Tasmanian worker", whom he considered "a better type than the Mainland product".<sup>7</sup>

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<sup>3</sup> W.E. Shoobridge, *Tasmania's Water Power. Its Probabilities and Possibilities. How Natural Resources Can Make Industries. A Series of Articles* (1916), pp.8-9.

<sup>4</sup> Launceston Mayor, To Henry Ford, Ford Motor Company, Canada, 16/1/1924: Launceston City Council, Industries General (1924-25), 21/1.2.

<sup>5</sup> Town clerk, To Fred Berlei, 24/6/1926: Launceston City Council, Industries General (1925-27), 21/1.3.

<sup>6</sup> P.B. Coulston, To Mayor Barber, 3/9/1927: Launceston City Council, Industries General (1927-29), 21/1.7

<sup>7</sup> Butlin did not have a high opinion of mainland labour. One argument he put forward for Rapson introducing British workers was "that he objected to bringing men from Melbourne and Sydney, as he feared he would be importing all kinds of labour troubles".

Despite such contentions, Tasmanian and mainland workers did share certain values unpopular from an employer's perspective. Foremost was the Australian work ethic. After P&B's first Christmas-New Year break, 33 female employees (from a total work force of 150) failed to show for work on the day after the holidays. Management put up a notice aimed at discouraging a repeat of this practice.<sup>8</sup> Furthermore, an industrial sales pitch based upon freedom from industrial unrest had to ignore not only Tasmania's continual isolation through shipping strikes, but also that the State did experience some industrial action throughout the 1920s. Tasmania was, for example, affected by a strike at the Cornwall and Mt. Nicholas coal mines in late 1923 and early 1924. Both K&K (Tas) and P&B Launceston used coal and were concerned by such events.<sup>9</sup> Nevertheless, the textile industry was fortunate on a national basis to experience "almost" no industrial stoppages throughout the twenties.<sup>10</sup> When Tasmanian Flax Mills' issued its prospectus in February 1926, they concentrated upon this story, rather than Tasmania's particular freedom from labour troubles. Under the heading, "Labour Conditions", the Prospectus stated:

It is noted with satisfaction that no class of manufacturing has been so free from industrial trouble as the Textile. Australian Woollen Mills have enjoyed practical immunity from troubles of this nature and the Company's operations will be of a similar character. Consequently similar immunity may be expected.<sup>11</sup>

It appears that throughout the 1920s textile workers Australia-wide were relatively placid, with Tasmanians more so than most. Data on unionisation is very scant, and still more extraordinary is the near-complete absence of comment about unions in the 1920s company records; the managers and investors did not care enough to abhor them.

Yet the story had its subtleties. In 1926-27 Tasmanian workers in the industry succeeded in having their conditions brought under the Federal Arbitration Court, thereby breaking away from the State Wages Board which had earlier prevailed in such

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E.A. Weymouth, To Director, State Immigration, 1/11/1927: SWD4/14 - Albert E. Wood, Rapson Tyre and Rubber Co.

<sup>8</sup> ARP, To P&B Alloa, 4/1/1924: P&B Correspondence, 1923-24.

<sup>9</sup> Cornwall stopped work on 8 December and Mt. Nicholas on 9 January, work eventually resumed in early February.

Report of J.B. Brigden on the Situation at the Cornwall and Mt. Nicholas Coal Mines, To Chief Secretary, 16/2/1924; & Premier, Telegram to Hibble, 3/3/1924: PD1 88/1/24.

<sup>10</sup> Forster, *Industrial Development in Australia 1920-1930* (Canberra, 1964), p.92.

<sup>11</sup> Prospectus of Tasmanian Flax Mills Ltd, 15/2/1926: PD1 179/6/26.



matters.<sup>12</sup> One informed observer, not meaning to be humorous or cynical, has proposed that strikes were rare because wages were too low to allow building of funds which might sustain such action.<sup>13</sup> If that were at all true, one could imagine an underlying potential for protest. Such dissent became action in a few episodes related below and then on a big scale just after the end of our period of concern: in late August 1932 Launcestonians were forthright in nation-wide anger when the textile industry was brought within the Arbitration Court's cutting of Australian wages generally.<sup>14</sup> Protesting against the strike, company director Percy Hart pointed out that K&K and P&B had come to Launceston "on the representation, among others, that in this city they would be free from industrial trouble".<sup>15</sup> Hart believed this would "permanently damage the prospect of Launceston getting other British industries to establish themselves here, and seriously hamper the efforts of those of us who are actively engaged [in] trying to get industries established here for the benefit of the citizens".

### **Availability of Labour, Especially Female**

When considering establishment in Hobart in mid-1917, K&K had requested information from Hobart Council on the prospect of attracting workers to the chosen area.<sup>16</sup> Hobart Council's response was ambiguous, claiming on the one hand that the Council was not in a position to give particulars on the prospect on acquiring workers (suggesting the Chief Inspector of Factories might be able to assist), then claiming there should be no difficulty in obtaining the necessary labour.<sup>17</sup> As at Launceston, authorities often told companies what they wanted to hear. Henry Reynolds did,

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<sup>12</sup> *Examiner*, 27/8/1932.

<sup>13</sup> Interview with P.M. Hart, 1/11/1996.

<sup>14</sup> The strike was the result of an Arbitration Court ruling which decreased textile workers wages in line with the decreased cost of living. At a mass meeting of over 1,100 Launceston textile workers on 19 August 1932, it was "almost unanimously decided" that unless their entire pay decrease be restored, work would cease the following day. With four out of Launceston's five mills represented, employers offered to restore half the decrease. Thyne Bros. remained out of the dispute and did not attend the meeting; Reliance Worsted Mills did attend but decided not to implement the wage cuts; and Waverley operatives accepted the employers' offer. The two British mills therefore went out alone with almost total employee participation of over 1,600 workers. Waverley Mill's 120 employees were pressured to join through a picketing campaign of mainly P&B employees. Aged eleven years at the time, Bob Hogarth vividly recalls charging his small pony through the picket line on his way home from school. The strike was over by 8 September, the workers having lost. Management blamed mainland agitators.

See *Examiner*, 20/8/1932 - 8/9/1932; Bob Hogarth, Talk to Launceston's Industrial Heritage Group, 11/6/1996; & P&B Outward Correspondence 1930-39 (August - September, 1932).

<sup>15</sup> *Examiner*, 1/9/1932.

<sup>16</sup> Agent-General, To Premier, 5/7/1917: PD1 118/19/17.

<sup>17</sup> Acting Town Clerk, Hobart, To Secretary to Premier, 10/10/1917; PD1 118/19/17.

however, substantiate Hobart Council's claims. After making inquiries at Hobart's existing textile manufacturers, two woollen mills and a knitting factory, Reynolds found that the mills had experienced no difficulties acquiring labour, and concluded it was reasonable to assume the same would be true for K&K.<sup>18</sup> Nevertheless, while guarantees of labour availability would continue to be made by both State and local authorities throughout the 1920s, Tasmania's labour supply was by no means assured.

There was certainly much concern about Tasmania's lack of job opportunities and unemployment when the two woollen mills chose to establish, suggesting that procurement of labour should not have been a problem. Local press also saw the announcement of K&K's decision to build in Launceston as more significant than just easing unemployment levels. Rather it served "to give employment to numbers of the rising generation of the state, who for years past had been driven to the mainland to seek employment".<sup>19</sup> The *Australasian* reiterated this idea the following year. With "altogether too great a tendency during the past 20 years for the younger generation to turn their backs upon their island home and seek advancement elsewhere", the journal recognised that the woollen industry and the Cadbury chocolate factory created opportunities to retain the State's youth.<sup>20</sup>

There is little doubt that job opportunities were much needed in the early twenties. A number of factors combined in early 1921, for example, to worry the State government that "considerable" unemployment was pending.<sup>21</sup> With the partial suspension of mining operations throughout the State on account of low metal prices, the general stringency of the money market affecting industry, and the impending discharge of men from the HED works for the winter, such anxiety indeed had much force. The Premier therefore requested information on employment numbers and the timing of future labour discharges from 52 Tasmanian industries and businesses, including K&K (Tas) and Waverley Woollen Mills.<sup>22</sup> In the midst of construction, K&K (Tas) was employing 43 builders and intended to employ as many again when materials came to hand, particularly carpenters. Estimating that construction would not be completed until the same time the following year (which of course turned out to

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<sup>18</sup> H. Reynolds, Deputy Chief Inspector of Factories, To Secretary to Premier, 23/10/1917: PD1 18/19/17.

<sup>19</sup> 'Woollen Industry, New Mills for Launceston', 17/3/1920: K&K Press Cuttings.

<sup>20</sup> *Australasian*, 1/1/1921.

<sup>21</sup> Premier Lee, To various industries, 4/2/1921: PD1 84/3/21.

<sup>22</sup> Premier Lee, To various industries, 4/2/1921: PD1 84/3/21.

be optimistic), the company planned then to exchange builders for textile workers.<sup>23</sup> The Hosiery Company in Hobart employed 38 females and five males and anticipated hiring more labour.<sup>24</sup> The Tasmanian Woollen Factory (or James Aiken and Sons Ltd) also of Hobart, did not propose discharging any operatives.<sup>25</sup> While employment prospects in Tasmania's textile industry looked encouraging, K&K (Tas) director, Sir Henry Jones, was experiencing difficulties at his Hobart jam manufacturing enterprise. With substantial numbers of employees already laid off, Jones' business was, for the first time, faced "with a total lack of demand for our product"; claiming increased selling costs had made jam a luxury item.<sup>26</sup> With much of his work seasonal, and the woollen industry offering full-time employment (theoretically at least), workers would presumably have been attracted to the latter occupation. Jones was therefore one employer likely to welcome high unemployment. Full employment not only pushed wages up, but a transient work force was essential to the seasonal nature of his industry.<sup>27</sup>

At the same time as unemployment was causing the government concern, however, the new industries being established in Tasmania were experiencing difficulties acquiring skilled labour for construction work. As discussed in chapters 2 and 3, both K&K (Tas) and P&B Launceston expressed concerns about, and were affected by, the sudden demand for skilled construction workers. One of the reasons K&K's contractor, E.G. Stone, listed for changing the location of his proposed cement company from Fingal to Launceston in 1921, was that a town posed fewer labour troubles;<sup>28</sup> presumably he referred to supply of labour, rather than industrial disputes. Stone's experiences at K&K (Tas) and other Tasmanian building sites demonstrated the scarcity of skilled labour. Unemployment did not automatically guarantee availability of workers. This was especially true in the textile industry. Launceston Council's decision to place much emphasis upon attracting textile manufacturers in the

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<sup>23</sup> K&K, To Premier, undated: PD1 84/3/21.

<sup>24</sup> The Hosiery Company, Hobart, To Premier, 9/2/1921: PD1 84/3/21.

<sup>25</sup> The Tasmanian Woollen Factory, To Premier, 7/2/1921: PD1 84/3/21.

<sup>26</sup> Henry Jones, To Premier, 10/2/1921: PD1 84/3/21.

<sup>27</sup> In Jones' business employee numbers see-sawed. Jones employed 418 people, excluding casuals, in February 1921. 100 had been put off on 26 January, 50 put back on two days later. Between February and April he estimated 300-350 would be discharged, retaining only about 50 workers; the firm intended closing their manufacturing plant at the end of April. Jones remembered as an after-thought that, the week following these predictions, around 200 would also be employed for two months during the pear canning season.

<sup>28</sup> E.G. Stone, To Premier, 20/5/1921: PD1 100/5/21.

1920s created special difficulties with the provision of sufficient workers. Predominantly women and girls were required, but a good supply of such was less likely in the absence of complementary employment for men; this was scant in Launceston, and so weakened the plausibility of claims that the city offered adequate numbers of females. Yet such claims continued.

Around the same time as K&K and P&B choose to establish in Launceston, the Council also learnt that London based Amalgamated Textile Co Ltd was looking to build a factory in Australia to produce worsteds.<sup>29</sup> They therefore wrote to the company in mid-1921, promoting the city's assets.<sup>30</sup> Later that year the company made further inquiries as to whether labour, particularly female labour, would be available in Launceston. The Council responded that labour was not seen as a problem, and offered Robert Hogarth of Waverley Woollen Mills as a reference.<sup>31</sup> In February 1922 Launceston Council reiterated these claims to Amalgamated Textiles, maintaining that during Hogarth's 40 years in the textile trade he had experienced no difficulty acquiring all the hands he needed, the majority being young women. Hogarth did not believe other factories would drain local labour markets.<sup>32</sup> Until this point of time, however, Hogarth had not experienced any substantial competition for female labour in Launceston, a fact not stressed to the company.

In August 1923 federal authorities inquired about availability of Tasmanian labour for a cotton mill proposing establishment within the State. "Exhaustive" state-wide inquiries found that recently established industries including Electrolytic Zinc Company (which employed 700-800 continuously and over 1,000 during construction periods), along with Cadbury, K&K (Tas) and P&B Launceston had experienced "no difficulty whatsoever" acquiring labour. State authorities were consequently satisfied there would be no difficulty securing labour for a cotton mill.<sup>33</sup> The accuracy of this survey was, however, questionable and suggests that the government's findings largely suited their purpose. Cadbury, K&K (Tas) and P&B Launceston had all experienced

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<sup>29</sup> Secretary to Premier, To Town Clerk, 7/6/1921: Launceston City Council, Electric Power Enquiries etc, for 1920, 1921.

<sup>30</sup> Acting Town Clerk, To Amalgamated Textiles Co Ltd, London, 14/7/1921: Launceston City Council, Electric Power Enquiries etc, for 1920-1921.

<sup>31</sup> Amalgamated Textiles, To Town Clerk, 4/11/1921: Launceston City Council, Industries, G.H. Hirst & Co (1921-22), 19/3.1.

<sup>32</sup> City Manager, To Amalgamated Textiles, 2/2/1922: Launceston City Council, Industries - Amalgamated Textiles, 19/2.1.

**Table A**

<b>DATE RECEIVED</b>	<b>COMPANY</b>	<b>NO. OF FEMALES EMPLOYED</b>	<b>COMMENTS</b>
6/7/1926	P&B	273	So far have had no difficulty getting labour.
7/7/1926	K&K	70	Considers there is a plentiful supply of unskilled labour.
7/7/1926	Waverley Woollen Mills	80 (+ 60 males)	Unable to give an opinion as to the supply of female labour available, but feels that with the present extensions at P&B and extra plant at Thyne Bros. "there will be a shortage of required labour".
7/7/1926	F. Boatwright, Kingsway	55	Feels sure there is plenty of labour available, and have had "a good many inquiries from girls wanting employment", especially in the last few weeks.
8/7/1926	Thyne Bros.	40	So far have had no difficulty securing female labour.
13/7/1926	J.W. Boatwright, Shirt & Clothing Manufacturer	50	Have had no difficulty obtaining female labour, and believe that a new industry would draw the necessary labour. Doesn't think that any of Launceston's industries using female labour have had difficulty securing hands - although all at first are inexperienced.

problems securing staff during construction, had imported their core staff from Britain, and had only just commenced production. This was hardly a basis for definitive statements on labour availability.

When Launceston Council was attempting to attract Berlei in 1926, two areas of particular concern were availability of girl labour and freight. Launceston's main negotiator in this deal, A.A. Evans, believed that if Launceston could provide "intelligent girl labour" (defined as "something superior to the ordinary slow machine winding girl"), the main objection to Launceston as a site would be overcome.<sup>34</sup> P&B Launceston and Waverley Woollen Mills were therefore asked to provide Berlei with their opinion of girl labour. Berlei was subsequently informed that the "class" of labour required was highly spoken of by the management of another recently established mill<sup>35</sup> - presumably P&B. Berlei later reiterated his desire for information on female labour, outlining more specific issues. These included details as to sizable Launceston factories employing female labour, numbers employed therein, and whether Launceston could provide an ample supply of females over 16 years.<sup>36</sup> Attempting to address Berlei's queries, the Council wrote to Launceston's textile manufacturers.<sup>37</sup> All except Reliance Worsted Mills responded. As seen opposite in Table A,<sup>38</sup> by 1926 Hogarth was no longer as confident about the availability of female labour as he had been earlier in the decade. Berlei was informed of the survey's results in July, being told that the five principal female employers, engaged a total of 518 females between them.<sup>39</sup> Again demonstrating a propensity to ignore any findings which did not suit their purpose, the Council omitted any reference to Hogarth's concerns, even though his opinion had been used extensively in the past. They instead informed Berlei that "general opinion" held there would be no difficulty securing female labour.<sup>40</sup>

When a cotton manufacturing industry was again mooted in early 1927, information on the availability of female labour was requested. Although the industry

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<sup>33</sup> Director, Bureau of Science and Industry, To Director, Bureau of Commerce and Industry, 15/8/1923: PD1 179/2/23.

<sup>34</sup> Evans, To Mayor, 29/5/1926: Launceston City Council, 21/1.3.

<sup>35</sup> Town Clerk, To Fred Berlei, 24/6/1926: Launceston City Council, 21/1.3.

<sup>36</sup> Berlei, To Town Clerk, 28/6/1926: Launceston City Council, 21/1.3.

<sup>37</sup> Town Clerk, Copies to various companies, 6/7/1926: Launceston City Council, 21/1.3.

<sup>38</sup> From companies listed, To Launceston City Council, dates as listed: Launceston City Council, 21/1.3.

<sup>39</sup> Town Clerk, To Berlei, 10/7/1926: Launceston City Council, 21/1.3.

One of the Boatwright companies employing 50 did not respond until after the letter was sent to Berlei, raising the total, as shown in Table A, to 568.

was substantial, intending initially to employ between 400 and 500 women and, if successful, at least 2,500 women within four years;<sup>41</sup> the Council assured no difficulties were anticipated with labour availability.<sup>42</sup> Nevertheless, during an extension programme under taken by P&B Launceston in the middle of that year, Arthur Procter had told of difficulties securing sufficient labour. P&B Alloa saw this as “a most disturbing state of affairs”, likely to have a serious bearing when contemplating further extensions.<sup>43</sup> Requesting information on whether this was simply a temporary shortage, P&B Alloa suspected that business in Launceston was far from satisfactory, and that Launceston was “going back at the present moment rather than advancing”. They predicted a “large exodus” of families to the mainland (as already experienced by K&K (Tas)), which was considered “rather disastrous” from the mill’s viewpoint. P&B’s management recognised what local authorities had, as yet, to acknowledge - the connection between employment for men and availability of female employees. If unemployed males moved interstate seeking work, they generally took their families with them, including daughters of working age. This group constituted much of the textile industry’s labour force. P&B Launceston was requested to investigate the “whole labour position”, acquiring information about potential labour from educational authorities, and advising P&B Alloa about future prospects as soon as possible. No follow-up to this request has been located, but there is a later reference showing that P&B directors expressed concern to State authorities about Tasmania’s ability to supply sufficient girl labour. A.E. Weymouth, officer in charge of Labour and State Immigration at Launceston, had assured directors that this was not a problem.<sup>44</sup> Evidence so far seen, however, suggested otherwise. Despite indication that the city was having difficulty catering for the labour requirements of its current manufactories, the Council continued seeking similar industries. In August 1927 Launceston’s consulting engineer advised the Council that he had been approached to be the agent for American firm, Jenson Stocking Company. The company proposed building a

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<sup>40</sup> Town Clerk, To Berlei, 10/7/1926: Launceston City Council, 21/1.3.

<sup>41</sup> P.B. Coulston, To Town Clerk, Crawford, 2/2/1927: Launceston City Council, Industries General (1927-28), 21/1.6.

<sup>42</sup> Town Clerk, To Coulston, 8/3/1927: Launceston City Council, 21/1.6

<sup>43</sup> W.T. Procter, To ARP, 28/6/1927: P&B, Private Correspondence Ex. Alloa.

<sup>44</sup> ‘Assisted Migrants’, by A.E. Weymouth, 1937: SWD4 5/1.

factory to employ around 500 hundred - principally girls, with the view to later extending to do their own spinning and weaving.<sup>45</sup>

Apparently the next attempt to gauge Launceston's available female labour came late in 1929. No reason was given for the urgency credited inquiries at this time, but P&B Launceston was expanding, K&K (Tas) was considering such a move, and the establishment of a cotton industry was proposed. Attempting to ascertain the number of girls available for factory labour, the Education Department informed schools in the Launceston district that the Chairman of the Board of Advice urgently required numbers of girls intending to leave school and take up employment at the end of the year.<sup>46</sup> Of the eight schools surveyed, only around 103 girls (a few of whom were still non-committal), intended leaving school at the year's end. How many of these were prospective factory workers is uncertain, but around a third of the girls from one school estimated to have 60 leavers, proposed taking up positions with the Education department.<sup>47</sup> Inquiries were also made about the availability of female labour for factory work from outside Launceston should the demand arise.<sup>48</sup> Recognising that exact numbers were impossible to ascertain, Henry Reynolds suggested that advertisements be placed in southern and coastal newspapers calling for applications for 500 female workers, stating wages and conditions.<sup>49</sup> Numbers available were expected to be governed by wages and conditions. Reynolds also provided rough estimates of the numbers of girls who might be attracted from Hobart. Of those aged between 14 and 18 years, he estimated there would be 25 who would receive parental consent and who had friends or family to live with in Launceston. If wages covered board and lodgings, there would also be 50 girls in the 18 to 21 year age bracket, and 250 girls 21 years or more. Reynolds calculated that earnings needed to be in the vicinity of 42s. per week. As later discussed, the facts as to wages in Launceston's existing textile mills suggest that this rate of pay would not have been on offer. When this survey was being undertaken, Reynolds pointed out that if labour were available for adult males, many men with large juvenile families would be induced

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<sup>45</sup> Jenson Stocking Company was believed to be the biggest hosiery firm in the USA, and Jenson himself had just arrived in Australia to investigate establishing a factory. Coulston, To Barber, 15/8/1927: Launceston City Council, 21/1.3.

<sup>46</sup> Secretary, Education Department, To various schools, 28/11/1929: Launceston City Council, Industries General (1927-29), 21/1.8.

<sup>47</sup> See correspondence dated between 28/11/1929 & 3/12/1929: Launceston City Council, 21/1.8.

<sup>48</sup> Weymouth, Industrial Department, To Town Clerk, 1/12/1929: Launceston City Council, 21/1.8.



to come to Launceston, thus solving the female labour problem. This was the first real admission that there was a shortage of female labour. Reynolds used the example of Electrolytic Zinc Works at Risdon (employing around one thousand men), and claimed the existence of this company ensured a good supply of female labour for Hobart. Suggesting that even Hobart did not have the abundance of female labour implied, Weymouth mentioned that Hobart based Messrs. Jones & Co recruited a number of females from Launceston during the fruit season, paying the girls extra for board and temporary lodgings.

Availability of female labour for textile work in the 1920s may also been influenced by a long held association between factories, textile factories in particular as the first large scale factories, and the moral character of women who worked in such places. In eighteenth century France, for example, the word for female wage earners, which most often referred to those within the textile trade, was also the word for clandestine prostitutes.<sup>50</sup> While by the 1920s it was acceptable for single girls, even from the best families, to work outside the home,<sup>51</sup> suspicions about factory work remained. Demonstrating the endurance of such stigmas, the author's Tasmanian born grandmother tells of her father's determination that she avoid conscription to factory work though manpower regulations during World War II. Factory work was for the intellectually backward and led to moral ruination. An early marriage, however, allowed the problem to be avoided.<sup>52</sup> One response aimed at overcoming the stigma of factory work was the development of a culture of protective practices toward women in factories. Women, for example, were not legally allowed to work night shift.<sup>53</sup> There were also regulations about the type of work females could undertake. In the

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<sup>49</sup> The call for 500 workers suggests the inquiry related to the proposed cotton mill.

<sup>50</sup> 'L'ouvrière! Mot Impie, Sordide ...': Women Workers in the Discourse of French Political Economy, 1840-1860', in Patrick Joyce (ed.), *The Historical Meaning of Work* (Cambridge, 1987), p.122.

<sup>51</sup> Raelene Frances & Bruce Scates, *Women at Work in Australia, From the Gold Rushes to World War II* (Oakleigh, 1993), p.144.

Frances and Scates point out that textile work was not originally seen as respectable work, but claim that "By the 1920s it was quite acceptable for single women of even the 'best' families to work outside the home".

<sup>52</sup> Conversation on 12/7/1997.

<sup>53</sup> During World War II, K&K (Tas) commenced a twilight shift which continued for most of the mills' life. This allowed the husband to go home around 4.30pm and the wife would commence work at 5pm and work until 10pm. The system was designed so that children were not left alone for too long. A similar system also operated at synthetic manufacturer, James Nelson. The result was often husbands and wives who saw very little of one another.

mid-1920s K&K (Tas) was forced to replace a couple of girls in the spinning and carding departments because of limits on the weights women were allowed to lift; the limit was around 30 lbs. These rules were not, however, stringently enforced, one employee recalling that, when it came to women lifting heavy weights, the company “got away with it a bit”.<sup>54</sup>

As part of this protective attitude, P&B Launceston had secured the services of one Mrs. Robinson by late 1923. A prominent local Red Cross Worker and commandant of the local VAD,<sup>55</sup> Robinson was fully qualified in first-aid and held various sanitary certifications.<sup>56</sup> Designated as Welfare Superintendent, she was also intended to supervise the canteen and care for the health of female employees. The latter role included watching “the girls’ interest with regard to the conditions under which they are working” and being “invested with certain power to investigate complaints”.<sup>57</sup> In an accolade to Cadbury-Fry-Pascall’s innovative welfare programs, P&B arranged for Robinson to meet with Cadbury’s welfare superintendent, Miss Gallimore, to “pick up as much as she can”.<sup>58</sup> K&K (Tas)’s financial restrictions did not allow them to provide their female workers with the same facilities in the 1920s. George Brooks, the migrant foreman who had been a medical orderly in the war, doubled as K&K’s first first-aid officer. It would be some years before the company obtained a specially qualified nurse who also acted as “a confidante to the girls”.<sup>59</sup>

### **Training of Local Labour**

Availability of labour may have been a primary concern for Launceston’s textile industry when considering establishment or expansion, but the next priority was training the unskilled local labour. No information was located on the way in which K&K (Tas) approached training its first recruits, but it appears that P&B Launceston many have started training locals before K&K (Tas), despite arriving later. With construction of the mill well under way, P&B Ltd sent a small spinning frame to Launceston to enable an early start to be made training local labour. This arrived in

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Interview with P.M. Hart, 1/11/1996 & Jim Marwood, *Ways of Working* (Kenthurst, 1986), pp.109-134.

<sup>54</sup> Interview with P.M. Hart, 24/11/1995.

<sup>55</sup> VAD stood for ‘Volunteer Aid Detachment’.

<sup>56</sup> ARP, To P&B Alloa, 7/12/1923: P&B Alloa, Correspondence 1923-24; & *Examiner*, 26/1/1924.

<sup>57</sup> *Examiner*, 26/1/1924, p.6.

<sup>58</sup> ARP, To P&B Alloa, 7/12/1923: P&B Alloa, Correspondence 1923-24.

<sup>59</sup> Interview with P.M. Hart, 24/11/1995.

mid-November 1922. Claiming the company was “anxious to train some young girls to be ready when the larger spinning frames arrive” (the bulk of the machinery was expected to arrive in January the following year), mill manager, McVann, requested Launceston Council supply the P&B site with 1 h.p. of electricity to run these machines.<sup>60</sup> The machinery was housed in “a hut” or “a corrugated iron shed” located on the corner of Thistle and Glen Dhu Streets on what became the front lawn of the offices.<sup>61</sup> The shed was divided into two parts, one half acting as an office for J. McVann and A.D. Peacock<sup>62</sup> (respectively the mill manager and accountant), the other half installed with small sample machines for spinning, roving and reeling. McVann began teaching the first local girls himself.<sup>63</sup> This may have been unusual for a mill manager, but McVann was on location when the training machines arrived, while the first group of British girls intended to train locals was not due until the middle of the following year. Amongst the British instructors was Miss Maggie Boyd, who remembered “especially an old tin shed” in which they “taught Launceston girls how to spin and weave”.<sup>64</sup> In early 1924 P&B’s management commented that the scheme to train local labour had “already worked well, and some of the apprentices or learners ..., are showing considerable aptitude, although naturally there is a proportion who are not making so much progress as the others”.<sup>65</sup> Despite the slow progress of some, the *Examiner* believed, “Still there is reason to believe that the firm regards the experiment as satisfactory”.

Unlike P&B Launceston, there is no indication that training of local operatives began at K&K (Tas) before production commenced in February 1923. In early March, visiting English director J.H. Lord “expected ... a great improvement when the boys now being trained on the spinning became skilled”.<sup>66</sup> (This is the only reference at either mill to boys, rather than girls, being trained.) The required improvement appears to have been related to labour efficiency, rather than product quality. When some of

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<sup>60</sup> P&B, To Town Clerk, 8/11/1922: Launceston City Council, 19/6.1; McVann, To Town Clerk, 10/11/1922: P&B Mill History File.

<sup>61</sup> Hand-written extract & Bill Grierson, To A.B. Stirling, P&B Personnel Manager: P&B Mill History File.

<sup>62</sup> Hand-written extract & ‘P&B Spinning Mill at Launceston’, 13/5/1969: P&B Mill History.

One of the above records claims the office belonged to McVann, the other that it belonged to Peacock, but it is likely the shed was a shared facility.

<sup>63</sup> Bill Grierson, To A.B. Stirling, P&B Personnel Manager: P&B Mill History File.

<sup>64</sup> *Examiner*, 14/6/1973.

<sup>65</sup> *Examiner*, 26/1/1924, p.6.

<sup>66</sup> *Minutes of K&K Directors’ Meetings*, 2/3/1923.

K&K (Tas)'s products were tabled for inspection only a few weeks after starting, Lord was "genuinely surprised at the quality of the flannel produced", considering the untrained labour.<sup>67</sup> A shortage of skilled labour would, however, long prove problematic at K&K (Tas). With only 15 skilled operatives, training of unskilled labour took time and undoubtedly reduced efficiency at the mill. New looms were not able to start operating until each beginner was skilful enough to justify the looms being worked.<sup>68</sup> By May 1923, 28 looms were in operation,<sup>69</sup> and by July there were over 30 looms, others continuing to be added as labour was trained. With more than 50 employees engaged by this time, K&K's plant was expected to be fully operational by the year's end, employing upwards of 100.<sup>70</sup> In mid-1924 K&K directors acknowledged that unskilled labour had initially been a problem, but claimed they now had "a fairly well trained number of employees".<sup>71</sup>

One way of ensuring a guaranteed period of employment in exchange for training was through apprenticeship schemes. How extensively this was employed by either mill is uncertain, but a few facts are on record. As early as April 1923 K&K (Tas) accepted an application through the Repatriation Department for an unindentured apprentice.<sup>72</sup> In early 1924 P&B Launceston mentioned that the training of apprentices was progressing satisfactorily.<sup>73</sup> With retention of labour a problem, the mills appeared keen to encourage schemes which promoted an extended commitment to their firm by young employees. In September 1925 P&B Launceston's general manager, Arthur Procter, informed P&B Alcoa of a new apprenticeship scheme likely to be implemented at the next Wages Board. With young wool sorters not currently apprenticed, Procter felt the idea a good one.<sup>74</sup>

Not all training of local labour was on the job. A small number of employees from both mills went to Britain to attend textile colleges or upgrade skills at the home firm.<sup>75</sup> This option was only offered to select individuals in senior positions or

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<sup>67</sup> *Minutes of K&K Directors' Meetings*, Fourth AGM, 25/5/1923.

<sup>68</sup> Eighth Annual Report of the Industrial Department for 1923-23, No. 24, p.7: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1923-24.

<sup>69</sup> *Minutes of K&K Directors' Meetings*, Fourth AGM, 25/5/1923.

<sup>70</sup> Eighth Annual Report of the Industrial Department for 1923-23, No. 24, p.7: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1923-24.

<sup>71</sup> *Minutes of K&K Directors' Meetings*, Fifth AGM, 30/5/1924.

<sup>72</sup> *Minutes of K&K Directors' Meetings*, 16/4/1923.

<sup>73</sup> *Examiner*, 26/1/1924, p.6.

<sup>74</sup> ARP, To Stirling, 9/9/1925: P&B, Private Correspondence Ex. Alcoa.

<sup>75</sup> Interview with P.M. Hart, 24/11/1995.

10/11/29

Deer Sir

Mr Crow

I have Dicided to Leve The  
Wavley Wooling mills Has it Tis

Too Far away

and I wont to now Could

I Cum Back to my Job

again I would Like to

Start again at once if Possibal

Pleas Let mee Now

at once

Yours

Miss ...

No 12 Howard Str

24. Letter of application for a position at K&K (Tas)

10/11/29

Deer sir

Mr Crow

I Have Dicided to Leve The  
Wavley Wooling mills Has it tis  
Too Far away

and I wont to now Could

I Cum Back to my Job

again I would Like to  
Start again at once if Possibal

Pleas Let me Now

at once

Yours

Miss

No 12 Howard Str

intended for such roles. As most senior positions at both mills were held by migrant employees in the 1920s, this was all the less an issue in the period under review. Nevertheless, there was at least one case of a local receiving training in Britain during the 1920s. Educated at Launceston Grammar School, Percy Macdonald Hart, started work at K&K (Tas) in 1925, aged 15. Grandson of founding director, F.P. Hart, Mac worked at the mill for over two years to gain general experience. Before commencing employment, the family had arranged that when Mac turned 18 years he would attend a wool technical college at Galashiels, Scotland. Departing Tasmania in 1928, Mac spent three years at college, and then worked at K&K's home mills gaining practical experience before returning to K&K (Tas) in 1934.<sup>76</sup> This case was unique not just for its singularity in that decade, but because the trip was privately, rather than company funded. No other such instance was located at either of the two mills in question, even in later periods. As few, if any, locals could afford or justify such expense, the financial position and company connections of the Hart family provided Mac with an opportunity for future advancement simply not available to most workers.<sup>77</sup>

More common for the majority of employees would be to commence work at the mill at an early age. The legal minimum was 14 years. Education levels were therefore minimal, which could hamper the likelihood of future advancement. An example of literacy levels can be seen in a 1929 job application placed with K&K (Tas) by a former young female employee (see opposite page).<sup>78</sup> Her skills were basic, but adequate to impart her message. While one letter cannot be seen as representative of textile operatives' educational standards generally, P.M. Hart recalled that education

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Of Launceston's other textile mills, the Hogarth family (proprietors of Waverley Woollen Mills) also sent certain male members to Galashiels for technical training.

Bob Hogarth, Talk to Launceston Industrial Heritage Group, 11/6/1996.

<sup>76</sup> Interview with P.M. Hart, 24/11/1995.

Describing this time as "a tremendous experience", Hart enjoyed his stay in Britain, meeting his future wife (an employee of K&K Rochdale) during his stay, the couple marrying in 1937. After 49 years service with the mill, Hart retired 9 months short of his 65th birthday in 1974.

*Minutes of K&K Directors' Meetings*, 23/4/1974: RAK Minute Book, June 1965-June 1976.

<sup>77</sup> Australia had no textile training schools when the industry began to expand rapidly after World War I, but labour shortages soon led to discussion about the establishment of such. There was pressure within Victoria for a textile training school to be established in that State, the Victorian government appointing Professor A.F. Barker to advise upon the matter. In his report presented in 1924, Barker concluded that a school should be erected in Melbourne and run in conjunction with the university. Geelong felt that it deserved the school, however, and a decision upon location was not reached. Additionally the Victorian government believed the federal government should contribute to the project. The federal government disagreed and the idea lapsed.

Forster, *Industrial Development*, p.87.

<sup>78</sup> See Miscellaneous material in Box MS 5: QVM.

was not particularly important for most workers because the job involved nearly all hand work. He does remember one girl who had to be taught fractions because the company measured in eighths of a yard, “but in general they were literate enough for that”.<sup>79</sup>

On the whole, minimal education had little impact upon career advancement for the majority of the textile industries’ work force - women - as few such opportunities existed.<sup>80</sup> There were limited positions for experienced women to act as overseers of other women, but even wholly female departments appear to have been headed by men. A 1957 advertisement in the *Examiner’s* ‘Career Supplement’ highlights the longevity of such gender labour divisions within Launceston’s textile mills. Focussing upon P&B Launceston, the advertisement claimed that the textile industry offered “a wide variety of careers” for both men and women”.<sup>81</sup> The claim appeared biased. P&B Launceston offered “careers for young men, especially selected for permanent staff positions”. On offer for girls, however, was merely “a wide variety of interesting jobs”.<sup>82</sup>

Nevertheless, for most women the lack of opportunity for career advancement within the textile industry was of little concern. Although married women worked at both textile mills during the 1920s, it was still common for a girl to leave work upon marriage. The automatic association between these two events can be seen in a 1926 appraisal of office staff at P&B Launceston. Although clerk Miss E. Green was praised as “a capable girl”, it was noted she will “be leaving us shortly as she is engaged to be married”.<sup>83</sup> Accordingly, the working life of many female employees might only span from school-leaving age until marriage. During these working years, however, a change was apparent in the way the girls’ income would previously have been distributed. Those girls employed as operatives at the textile mills generally came from working class families, and unmarried children from lower socio-economic backgrounds had traditionally contributed most of their wage to family income. Henry Reynolds’ calculations of income necessary to attract girls to Launceston’s textile mills in 1929 (as previously discussed), shows a move away from this trend. Of the 42s. figure cited, 17s. was suggested as for the girls’ own personal

<sup>79</sup> Interview with P.M. Hart, 1/11/1996.

<sup>80</sup> For example see Frances & Scates, *Women at Work*, pp.37-38.

<sup>81</sup> ‘Article for *Examiner* Career Supplement, 10/9/1957: P&B Mill History.

<sup>82</sup> It seems the only career opportunity for women was in the Chemical Laboratory and Physical Testing Department.

<sup>83</sup> ‘Report on Office Staff’, ARP, To P&B Alloa, 21/5/1926: P&B, Private Correspondence Ex. Alloa.

use; clothing would take most of this.<sup>84</sup> Although female incomes offered little chance for independent living, such jobs were allowing young women greater financial freedom than previously possible.

For married women working at the mills, income was seen as supplementary to a husband's wage.<sup>85</sup> Even when the employment of married women gained greater social acceptance after World War II, traditional family patterns stayed strong. In 1960 the *Examiner* credited Launceston as "Tasmania's foremost living centre for women who want to work".<sup>86</sup> By this time P&B Launceston was not only the largest mill of its type in the Southern Hemisphere, but "the biggest employer of women in Tasmania". The city's five textile mills employed a total of 2,700 people. Of these P&B Launceston had almost 2,000 employees, around 66% of whom were women. K&K (Tas) employed 330, "mostly women"; Waverley Woollen Mills around 130, 70 of whom were women; Thyne Bros. 70 women out of a total work force of 100; James Nelson 117 (unspecified whether in total or women specifically). The *Examiner* claimed that "The mills must take credit for Launceston's high living standard", adding that "About half of the female workers are married and they can supplement the pay packet of their husbands by weekly wages ranging up to £17".<sup>87</sup>

### **Difficulties Retaining Labour**

After obtaining and training labour, the next major problem confronting textile mills was the retention of labour. Both Launceston mills under consideration suffered from losing trained staff throughout the 1920s, as did many other mills around the country. Colin Forster points out that country mills, in which he categorises those in Launceston, had special labour problems arising from location. As soon as employees were trained, they moved to larger centres and the training process had to recommence; Forster uses K&K (Tas) as an example of one such mill losing trained labour to the mainland. In addition to losing local workers, he adds that country mills

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<sup>84</sup> A.E. Weymouth, Industrial Department, To Town Clerk, 1/12/1929: Launceston City Council, 21/1.8.

<sup>85</sup> While no statistical evidence was available, the general impression gained from records was that many of the married women working at K&K (Tas) and P&B Launceston had husbands also working at the mill. This propensity might be partly explained by low wages for male textile employees necessitating their wives continuing work to supplement family incomes.

<sup>86</sup> *Examiner Supplement*, 2/8/1960, p.21.

<sup>87</sup> The £17 wage mentioned was no doubt the exception rather than the norm.



could not hold their skilled operatives from England.<sup>88</sup> This was again a conspicuous trend at the main Launceston mills introducing migrant labour. There was no one simple explanation why skilled workers in regional areas choose to relocate to larger cities. The reasons for moving were varied. While some local labour may have been attracted to the bright lights once trained, or migrants attracted to larger cities, more like those whence they came, there is no indication that such impulses directly motivated any of Launceston's locally trained textile labour or migrant labour to relocate. The greatest loss of general operatives from Launceston appears to have been caused by financial necessity. This problem was more significant at K&K than P&B. Thus, not only were there a number of different reasons for labour leaving the mills, but the reasons varied between the two mills.

The answer in this instance lies in the financial state of the mills. As detailed in chapter 5, both mills spent periods throughout the 1920s working at less than full production. Although the nature of P&B Launceston's records does not allow the exact periods of short-time to be stated with any certainty, that company appears not to have reverted to short-time on the same frequency as K&K (Tas). On a number of occasions P&B Ltd mentions that most of its mills were on short-time, but does not specify whether their Launceston mill was included. The only definite period of short-time worked at P&B Launceston during the 1920s was at the height of the textile industry's depression in mid-1925.<sup>89</sup> Alternatively, since beginning production in early 1923, K&K (Tas) spent part of every year during that decade, with the exception of 1927, working short-time or full-time but with half labour. These stints sometimes lasted for many months, suggesting job insecurity impacted most greatly upon K&K (Tas)'s ability to retain operatives.

K&K (Tas) recognised the dangers of constant reversion to short-time. At one stage during the 1924-25 slump, they chose to produce more stock than the company had in orders "rather than part with the labour we had trained".<sup>90</sup> On more than one occasion they also accepted orders at cut prices to continue in full time employment.<sup>91</sup> The direct link between short-time and loss of labour can be seen in K&K (Tas)'s difficulties reverting to full time after periods of short-time in 1925 and 1926. In both

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<sup>88</sup> Forster, *Industrial Development*, pp.89-90.

<sup>89</sup> For example see ARP, To T. Stirling, 29/5/1925: P&B, Private Correspondence Ex. Alloa.

<sup>90</sup> *Minutes of K&K Directors' Meetings*, Sixth AGM, 29/5/1925.

<sup>91</sup> For example see *Minutes of K&K Directors' Meetings*, 29/8/1925.

years the process was slowed considerably because of difficulties procuring labour. Following a period of short-time in 1926, for example, shareholders were told that “many” of K&K (Tas)’s weavers had left Launceston, either to take up employment elsewhere, or, in other cases, to follow male relatives who had left the state seeking work - indicating that the recession spread well beyond the textile industry. Other weavers had taken up alternative employment within the city and K&K (Tas) was again left to begin training “much” unskilled labour.<sup>92</sup> The loss of labour to other local industries demonstrates that desire to move afar was not a primary issue for all workers leaving the company. Constant reversion to short-time created a vicious cycle at K&K (Tas) for much of the 1920s. Upon commencing production K&K’s competitiveness had been affected by untrained labour reducing efficiency. This would have influenced the need to revert to short-time. Just as labour gained experience, however, reversion to short-time saw trained labour leave. With the mill forced to recommence with new inefficient labour, the problem was perpetuated.

This is not to imply that workers rushed off at the first sign of trouble. Relocation was often a last resort, as it meant uprooting family and leaving all that was familiar. Many textile employees actually demonstrated a great sense of company loyalty, even under the most adverse conditions. In 1925, for example, weavers at Hobart’s James Aiken & Sons Ltd offered to work without pay for a month to help their financially troubled employer. The board expressed gratitude for their offer, but declined.<sup>93</sup> Such an offer would have been at great personal hardship to the weavers in an industry where general operatives’ pay gave little more than subsistence. Despite this gesture, survival eventually had to take precedence over company loyalty. When the promised recommencement of operations at Aikens’ took longer than expected to eventuate, employees began looking elsewhere. Even though a deal had been struck to allow the mill to reopen, delays in finalising arrangements saw many employees requesting references with a view to relocating to the mainland before their funds dried up.<sup>94</sup> Such moves were motivated by practical financial considerations

The textile industries financial difficulties during the 1920s also affected the mills’ ability to retain its most skilled workers - the industrial migrants. Both logic and irony appeared in this process: some, probably most, migrants, left Britain because of

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<sup>92</sup> *Minutes of K&K Directors’ Meetings*, Seventh AGM, 26/5/1926.

<sup>93</sup> Notice posted at Mill, 15/5/1925: PD1 179/8/25.

the industry's depressed condition there, and now a similar situation beset them in Australia. In June 1924, Minnie Rainsford, whose husband worked at K&K (Tas), nominated her brother, Charles Needham, and family.<sup>95</sup> The family arrived in December that year.<sup>96</sup> Charles, his wife and daughter were all textile workers, and on Charles' application form for assisted passage he cited his current English employment as being short-time. Although claiming employment was being arranged for them at the Launceston mill,<sup>97</sup> K&K (Tas) was itself on short-time when the Needhams' nomination was lodged.

There were further ways in which the textile industry's financial difficulties had particular impact upon migrant labour. Some migrants nominated by the mills had agreements ensuring full payment during short-time throughout their contractual period.<sup>98</sup> By contrast, migrants without safeguards (such as those nominated by other migrants rather than the company, and therefore not under contract) could experience even greater hardship than local labour during periods of short-time. With only a handful of relatives and/or friends, they lacked the broader support networks available to locals during periods of unemployment. An example of such difficulties can be seen in the following case. In May 1924 Harvey Riggs, an employee at K&K (Tas), nominated his wife Eva to join him in Launceston. Eva had worked in the cotton rather than woollen industry in Rochdale, but was to take up employment at K&K (Tas) upon arrival.<sup>99</sup> In April 1925 Harvey Rigg was reprimanded by authorities because his wife's loan repayments for her passage were overdue;<sup>100</sup> she claimed to be waiting for notification to start repaying the money.<sup>101</sup> Although committing herself to pay the required £2 per month towards the debt, Eva was only able to pay £1 in her first payment - no explanation being offered. In June Eva was again able to pay only £1, due to short-time "etc" worked at the mill, the same occurring in September that year.<sup>102</sup> For unspecified reasons, in November 1925 Eva applied for a passport to

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<sup>94</sup> McKay, To Lyons, 24/6/1925: PD1 179/8/25.

<sup>95</sup> 'State of Tas, Assisted Immigration by Nomination', 25/6/1924: SWD4, M 9/475.

<sup>96</sup> State Immigration Officer, To Mrs. M. Rainsford, 22/12/1924: SWD4, M 9/475.

<sup>97</sup> 'Government of Australia, Application of Australia', 12/5/1924: SWD4, M 9/475.

<sup>98</sup> For example see ARP, To W.T. Procter, Alloa, 9/6/1924: P&B, Private Correspondence Ex. Alloa.

<sup>99</sup> 'State of Tasmania, Assisted Immigration by Nomination', 23/5/1924: SDW4, M9/467.

<sup>100</sup> Director, Labour & State Immigration, To Harvey Rigg, 22/4/1925: SDW4, M9/467.

<sup>101</sup> Rigg, To Director of Immigration, 27/4/1925: SDW4, M9/467.

<sup>102</sup> Rigg, To Immigration Office, 26/6/1925 & 25/9/1925: SDW4, M9/467.

return to England, wishing to leave on 16 December.<sup>103</sup> Due to her remaining £10 debt, however, she was ineligible for a passport until the debt was liquidated.<sup>104</sup> A lump sum discharging her full obligation was paid within the next few days, her past financial difficulties suggesting the money could only have been raised through a gift or private loan.<sup>105</sup>

Other migrant workers had different reasons for leaving employment at the mills. The shortage of skilled textile labour meant that migrant workers were able to make a variety of demands upon employers that were simply not an option to less-skilled local labour. If demands were not met, these skills allowed dissatisfied workers to transfer elsewhere. Demands were most often pay related, but there were also instances at P&B Launceston of migrant workers leaving because of dissatisfaction with employment conditions or because desired promotions were not forthcoming. Such was the case with English recruit John McArthur, who left P&B Launceston's employ in early 1926. McArthur arrived under the misapprehension that he was to be in charge of the carding and combing department, but the job belonged to another migrant, George Barker. Although he was subsequently placed in charge of the combing department's night shift, McArthur's wife remained unhappy with the arrangement. He therefore decided to accept a position at Castlemaine Woollen Mills. Castlemaine mill had only a small worsted plant, but McArthur was to be in charge of carding, combing and drawing as desired.<sup>106</sup> In October 1929, another P&B employee, under-foreman Willie Robertson, asked management about his future position with the firm. Informed that no promotion was proposed, Robertson gave a week's notice. Desiring promotion to a recently vacated position, Robertson was unhappy with the company's decision to bring out another migrant to fill the role.<sup>107</sup> Nevertheless, being a demanding employee may not have been the best selling point to prospective employers even when one's services were in demand. Robertson therefore appears not to have related the real reason for his departure from P&B to his new employers at Waverley Woollen Mills. As Bob Hogarth of Waverley remembers the

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<sup>103</sup> Officer-in-Charge, Immigration, Launceston, To Director, Labour & State Immigration, 24/11/1925: SDW4, M9/467.

<sup>104</sup> Director, Labour & State Immigration, To Douglas, Launceston, 25/11/1925: SDW4, M9/467.

<sup>105</sup> Director, Labour & State Immigration, To Sub-collector of Customs, Launceston, 2/12/1925: SWD4, M9/467.

<sup>106</sup> ARP, To W.T. Procter, 19/1/1926: P&B, Private Correspondence Ex. Alloa.

<sup>107</sup> ARP, To T. Stirling, 23/10/1929: P&B, Private Correspondence Ex. Alloa.

story, Willie came out to work at P&B Launceston, but, upon arrival, was informed that worsening economic conditions meant his position was no longer available. Hogarth claimed Waverley mills had been “fortunate” to acquire Robertson.<sup>108</sup>

The selection of skilled migrant staff was undoubtedly easier for firms with ties to a British textile manufacturer, because the workers most often came from the home firm and their skills were already proven. For companies without such ties, it could be safer - involving less cost, responsibility and risk - to acquire skilled staff from other firms. Accordingly, even when they had nominated the people involved, firms had difficulty retaining their migrant workers. This was certainly the case with migrants introduced by both K&K (Tas) and P&B Launceston. As previously noted, two-year contracts were insisted upon for nominees brought out by the two companies, but after this period they were free to leave. One result was that P&B Launceston was under constant pressure to raise migrants wages to retain their services. K&K (Tas) was less financially able to match outside offers and did lose at least one pivotal migrant employee soon after his contract expired, the fore-mentioned James Butterworth, who had been brought out from K&K's home firm in 1922, but transferred to Hobart Woollen Mills, James Aiken & Sons Ltd in October 1924. Butterworth was recruited as Aiken's mill manager to turn its fortunes around, part of the firm's problem being previous bad management. Aiken company director, C. McKay, acknowledged Butterworth as “by far the best manufacturer of goods the Company has yet had”;<sup>109</sup> Sydney and Melbourne customers had nothing but praise toward the company's product since Butterworth's arrival, all agreeing “it was the best they had yet seen”. Recognised as “a capable, energetic and sound mill manager”, Butterworth's skill saw him personally credited with producing “several saleable lines in a small way without loss”, despite inadequate machinery and serious financial difficulties.<sup>110</sup> No wonder competing firms sought such men as Butterworth!

Not all head hunting came from competitors. Throughout the 1920s, for example, P&B Ltd showed increased interest in their Launceston mill's wool buyer, Watson Dawson. Dawson originally came from the home firm, but had since been promoted. As part of his job, Dawson regularly travelled to New Zealand, purchasing

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<sup>108</sup> Robertson stayed with that firm until his death, suffering a heart attack while at work and being found dead lying on a pile of wool in the wool store by his son, who also worked at Waverley.

Bob Hogarth, Talk to Launceston Industrial Heritage Group, 11/6/1996.

<sup>109</sup> McKay, Director of James Aiken and Sons, Ltd, To Premier Lyons, 15/5/1925: PD1 179/8/25.

for both the Launceston and English mill. With “nothing but satisfaction to record” regarding Dawson’s recent wool purchases, in April 1926 P&B Alloa took the unusual step of expressing this sentiment to him in a letter.<sup>111</sup> Later that year the parent company asked whether Dawson could be spared for a visit “home”.<sup>112</sup> P&B Ltd explained that the visit would be advantageous (to whom was unspecified), because the New Zealand wool market was increasingly important to the English firm and because Dawson had never met any of the English directors in charge of the wool Department. Their real intention was to sound Dawson out about accepting a new position within the firm. Arthur Procter was informed in July 1927, that Dawson had accepted an appointment to become the company’s permanent wool buyer in New Zealand. Recognising that P&B Launceston would be disappointed at losing Dawson, the parent company believed Launceston would see that “the interest of the firm as a whole must take precedence to branch preferences”.<sup>113</sup>

### Wages

As previously seen, K&K (Tas)’s difficulties retaining locally trained labour stemmed largely from job insecurity during constant reversion to short-time and its associated financial hardship for workers. Although this affected some migrant workers as well, a national shortage of workers with the migrants’ expertise meant this group was more often able to demand, and generally receive, higher wages. If management wished to retain its most skilled workers, it often had little choice but to approve their wage demands. The ability effectively to demand higher wages, however, applied only to a very small percentage of employees.

In fact, Tasmania’s wage structure undoubtedly influenced both British companies to establish in this state rather than on the mainland. During early negotiations, K&K (Tas) made repeated inquiries about wages and conditions in the Tasmania’s textile industry.<sup>114</sup> Although Hobart Council initially claimed it was not in the position to provide pay rates,<sup>115</sup> Henry Reynolds eventually answered K&K’s wage

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<sup>110</sup> *Wagga Wagga Express*, 28/5/1925: PD1 179/8/25.

<sup>111</sup> T. Stirling, To ARP, 20/4/1926: P&B, Private Correspondence Ex. Alloa.

<sup>112</sup> T. Stirling, to ARP, 1/12/1926: P&B, Private Correspondence Ex. Alloa.

<sup>113</sup> P&B Ltd explained that it was unsatisfactory to double expenses by having two wool buyers engaged on the same ground, Launceston’s and their own.

T. Stirling, To ARP, 26/7/1927: P&B, Private Correspondence Ex. Alloa.

<sup>114</sup> For example see Agent-General, To Premier, 5/7/1917: PD1 118/19/17.

<sup>115</sup> Acting Town Clerk, Hobart, To Secretary to Premier, 10/10/1917; PD1 118/19/17.

inquiries by simply sending a copy of the rates fixed by the Textile Workers' Wage Board.<sup>116</sup> (As remarked, prior to 1926, wages and conditions in Tasmania's textile industry were governed by this agency's determination.)<sup>117</sup> What was common under both State and federal awards for the 1920s was that Tasmanian wages were based upon the average cost of living figures in five Tasmanian towns.<sup>118</sup> With minimum wage rates likewise fixed according to cost of living in other states, mainland big-city rates well-exceeded those paid in Launceston. The companies argued that this difference was necessary to counter freight costs in Tasmania,<sup>119</sup> but presumably it had a yet wider appeal for large labour employers.

The textile industry also lowered labour costs by employing a predominantly female force. An analysis of labour costs at P&B Launceston offers an example of why textile mills preferred female labour. In September 1925 it came to P&B Alloa's attention that the Launceston mill's current night shift was very uneconomical. Admitting the shift was expensive, Arthur Procter provided costing details of the combing department. During the day the combing department ran six combs and nine cards, employing 23 girls and five men, gross wages on average totalling £58. 3s. per week or £9. 13s. 10d. per comb. The night shift worked on a reduced scale, running only two combs and the necessary cards. With women not legally allowed to work night shift, it took 12 men to run this shift and cost £59. 2s. 8d. per week or £29. 11s. 4d. per comb, over three times the cost per comb of the day shift.<sup>120</sup> P&B Alloa described the cost of running the night shift's two combs as "appalling".<sup>121</sup> P&B Alloa subsequently calculated that, on average, men's day wages at P&B Launceston were about £4 per week, night shift men receiving around £5 per week, while girls received approximately 35s. per week.<sup>122</sup> It therefore made good financial sense to employ women, rather than men, whenever possible. Nevertheless, K&K appear to have

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<sup>116</sup> H. Reynolds, Deputy Chief Inspector of Factories, To Secretary to Premier, 23/10/1917: PD1 118/19/17.

<sup>117</sup> See above, pp.165-166.

<sup>118</sup> *Notes from K&K Chairman's Speech for Fourteenth AGM, 25/8/1933.*

<sup>119</sup> In the 1932-33 financial year, the Federal Arbitration Court ruled that a flat rate was to be paid throughout the Commonwealth (excluding Queensland) based on the average figure of the five Australian capital cities. Creating national wage parity throughout the industry, Tasmanian manufacturers lost what they saw as their main compensating advantage for freight charges (90% of K&K (Tas)'s product was sold on the mainland).

*Notes from K&K Chairman's Speech for Fourteenth & Fifteenth AGM, 25/8/1933 & 19/9/1934.*

<sup>120</sup> ARP, To W.T. Procter, 19/1/1926: P&B, Private Correspondence Ex. Alloa.

<sup>121</sup> W.T. Procter, To ARP, 23/2/1926: P&B, Private Correspondence Ex. Alloa.

<sup>122</sup> W.T. Procter, To ARP, 23/2/1926: P&B, Private Correspondence Ex. Alloa.

started operations with a significant proportion of male employees, as seen in illustration No. 25. As mentioned earlier, K&K had discussed training boys, rather than girls, as machine operatives,<sup>123</sup> but why they initially chose this option is uncertain.

The existence of companies employing large numbers of female workers at lower rates likely suited authorities as well. The federal government perhaps encouraged the establishment of the largely female employing textile industry after World War 1 as one solution to concerns about female labour. During the war women had filled vacancies in areas traditionally viewed as male domains. The fear was that women might remain in these vocations once the men returned from war. In 1917 W. Jethro Brown, president of the Industrial Court of South Australia, summed up the fears of many Australians in calling for state uniformity of action on the imminent threat posed, particularly, by female labour and repatriated soldiers. He believed their assertion could become very considerable.<sup>124</sup> The growth of Australia's textile industry, however, offered women the opportunity to work in jobs traditionally designated as women's work, rather than compete for jobs in the male domain.

While data is sparse and confusing, it appears that the companies gave considerable play to piece-work rates.<sup>125</sup> However these were impractical while girls were in training, and likely to make the mills unattractive employers. The problem was complex. When K&K (Tas) ruled that fixed rates should prevail in the mill's early stages, its handful of skilled operatives protested. In May 1923, the Lillie sisters, three of the company's best weavers recruited from Western Australia, were "becoming discouraged" at delays in implementing piecework rates, and had "hinted" they were considering returning home.<sup>126</sup> In order to retain the girls, directors offered them a 5s. bonus per week while they continued helping learners and until piece work rates were implemented.<sup>127</sup> The three girls were not satisfied with this offer, however, requesting the figure be raised to 10s. each per week. The request was granted until piece work rates began, the bonus to be paid monthly.<sup>128</sup> The case of the Lillie sisters provides yet

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<sup>123</sup> *Minutes of K&K Directors' Meeting*, 2/3/1923.

<sup>124</sup> W. Jethro Brown, President, Industrial Court Chambers, Adelaide, Minister of Industry, 23/1/1917: PD1 84/12/17.

<sup>125</sup> Forster, *Industrial Development*, p.92.

<sup>126</sup> *Minutes of K&K Directors' Meetings*, 24/5/1923.

<sup>127</sup> *Minutes of K&K Directors' Meetings*, 24/5/1923.

<sup>128</sup> *Minutes of K&K Directors' Meetings*, 9/6/1923.



another example of difficulties retaining experienced labour, and of the ability of skilled workers to achieve better wage conditions when their skills were in demand.

This appears to have been truer for skilled male migrant foremen than for skilled females machine operatives. The Lillie sisters' case was the only one recorded where machine operatives were able to negotiate better salaries, if only for a limited time. P&B, for example, even sought to renege upon wage guarantees made to its skilled female migrants in their two-year contracts. In March 1924, P&B Launceston sought clarification on the British girls' wage conditions.<sup>129</sup> Before a response was forthcoming, Arthur Procter discovered a telegram instructing Launceston to pay the girls full wages for six months. He immediately notified the migrant girls that deductions would henceforth be made for short-time. The following day "the girls protested en masse", claiming they had been promised a full wage for the full two years.<sup>130</sup> The parent company eventually agreed to uphold the girls' demands, but simultaneously refused to cover another promised benefit (as discussed later).<sup>131</sup>

P&B were not alone in attempting to avoid its legal wage obligations. When K&K (Tas) directors felt ready to commence on piece-work rates in August 1923, they resolved to begin payment at a scale laid down by English director, J.H. Lord.<sup>132</sup> While information is inconclusive as to whether Lord's rates differed from that set by the Wages Board, K&K (Tas)'s earlier reluctance and/or refusal to pay award wages to labourers during the mill's construction phase suggest this was a possibility. Both companies made repeated references throughout the 1920s to high labour costs at their Launceston mills, so it is possible that K&K Ltd were attempting to implement lower rates. Further suggesting there was some variation between the company's intended wage rates and those set by the Wages Board, K&K (Tas)'s subsequently postponed implementation of piece rates until Carl Stackhouse had consulted with Reynolds on this matter. No further reference is made to this visit or its outcome, so the matter must have been amicably resolved. Legal arguments aside, it would have taken little effort to convince K&K that unions would not stand for such direct attacks on workers basic rights, if indeed, it was K&K (Tas)'s intention to undercut award wages.

<sup>129</sup> Telegram to P&B Alloa, 22/3/1924: P&B Correspondence, 1923-24.

<sup>130</sup> ARP, To P&B Alloa, 28/3/1924: P&B Correspondence, 1923-24.

<sup>131</sup> ARP, To P&B Alloa, 1/4/1924: P&B Correspondence, 1923-24.

<sup>132</sup> *Minutes of K&K Directors' Meetings*, 3/8/1923 & 17/8/1923.

With the bulk of employees at both mills paid according to rates fixed by the outside authorities, there was no real possibility for these workers to negotiate for wage increases, other than to apply pressure through their union (about which so little information was located). Nevertheless, the companies repeatedly criticised workers for their role in increasing production costs and any requests for wage increases or improvements in working conditions being fought against. In 1927, for example, directors of K&K (Tas) expressed concern about impending legislation to decrease the length of the working week, currently 48 hours. With prospects looking up for the industry generally, company chairman, Carl Stackhouse felt, "The only bugbears" facing the company was the "distinct possibility" of a 44 hour week being implemented.<sup>133</sup> In 1928, K&K (Tas)'s first dividend paying year, Percy Hart again attacked labour. He maintained that since the mill had commenced, the State, Launceston city, and the operatives particularly had benefited, while shareholders were the only parties not receiving adequate returns. Hart argued that to sustain Australia's high living standard Australians either had to work harder or accept a lower standard of living. He claimed that the present scale of wages could only be maintained if workers and management combined to maximise efficiency. Hart failed to mention the hardships imposed upon many workers through constant reversion to short-time.

Predictably, the parent companies were also of the opinion that labour costs at the Launceston mills were high. Two separate cost analyses undertaken by P&B Alloa in 1926, however, suggest that Launceston workers cost little more than those at P&B Alloa. In early 1926 P&B Alloa director, William Procter, admitted that the home firm had calculated the wages paid to men and women in Launceston and compared the result with putative home conditions, and were "pleased to say that it corresponds very nearly with your figures".<sup>134</sup> A comparison between P&B Launceston and Alloa mills made a few months later revealed that labour costs at P&B Launceston worked out at only 0.86d. per lb. of product more than at Alloa. Alloa director, Thomas Stirling, admitted that, in view of Launceston's high wages, this figure was "not disappointing".<sup>135</sup>

Despite claims by both local and British directors, textile operatives would not have accepted that they were highly paid. Little comment is made on this issue

<sup>133</sup> *Minutes of K&K Directors' Meetings*, Eighth AGM, 17/8/1927.

<sup>134</sup> W.T. Procter, To ARP, 23/3/1926: Private Correspondence, Ex Alloa.

throughout the twenties, but during the 1932 strike action over wage reductions, Launceston's textile workers claimed "they were already paid starvation wages".<sup>136</sup> Being asked to accept another 12.5% wage reduction on top of an 8.5% reduction in working hours was therefore seen as unbearable. Tasmanian textile workers held that "They could not live on wages they were receiving at present" and "would be better off on the dole". The unemployment sustenance that did exist at this time was widely recognised as insufficient to meet basic needs, which suggests that the textile workers were merely attempting to dramatise their position with this example.<sup>137</sup>

In contrast, a small number of skilled employees on wages were able to demand and generally receive regular and often substantial wage increases throughout the 1920s. This applied more so to P&B Launceston than K&K (Tas), probably because of the stronger financial position of the first mentioned mill. It also applied particularly to those holding positions at the level of foreman or above. Demand for their skills in an expanding industry often forced companies to pay experienced managerial staff handsome salaries to retain their services. With both companies introducing virtually all employees at this level from their home mills, and these positions filled entirely by men, those able to demand pay increases were almost exclusively male migrants.<sup>138</sup> The consistency of the pay claims throughout the 1920s suggests that, if anyone was to blame for increased wage costs in the textile industry, it was management, broadly defined.

The early quibbling over wages seen at P&B Launceston was partly motivated by Launceston's cost of living exceeding the migrants' expectations. Finding conditions "very different here from home", most of the migrant foremen were described as "feeling the pinch", and, as mentioned in the previous chapter, housing rentals were seen to be "appalling".<sup>139</sup> In April 1924 general manager, Arthur Procter, rightly predicted that the company would have its "hands full" once current agreements expired. The first of many recorded increases at P&B Launceston came in March 1924, when Procter recommended an increase from £450 to £600 p.a. for his

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<sup>135</sup> T. Stirling, To ARP, 31/8/1926: P&B, Private Correspondence Ex. Alloa.

<sup>136</sup> *Examiner*, 25/8/1932.

<sup>137</sup> See Lloyd Robson, *A History of Tasmania, Colony and State from 1856 to the 1980s*, vol. II (Melbourne, 1991), p.429.

<sup>138</sup> Apart from the previously mentioned demands made by the Lillie sisters of K&K (Tas), no other reference was found at either mill to female employees claiming, or receiving, wage increases.

successor as head of the wool department, Watson Dawson,<sup>140</sup> the increase was approved the following month.<sup>141</sup> As previously mentioned, Dawson was highly regarded by the company and continued to impress. After his 1925 wool-buying trip to New Zealand, Procter recommended Dawson for another £150 per annum increase.<sup>142</sup> Although pleased to encourage Dawson, P&B Alloa only agreed to £100 increase, and wanted it made clear that this was not to be an annual event.<sup>143</sup> Dawson's salary was therefore advanced to £750 per annum as of 1 November 1925.<sup>144</sup> Dawson took his wife on the next wool-buying trip to New Zealand the following year and, as an expression of appreciation and recognition that he was doing "extraordinarily well" for the company, P&B Ltd contributed £100 Stg towards his wife's expenses.<sup>145</sup> This ploy allowed the company to offer a bonus without setting any precedent of regular pay increases and was also adopted by K&K.

Predictions of unrest when contracts expired proved correct. Migrants workers who arrived in 1923 were on two year contracts, so the first main round of negotiations began in 1925. As mentioned in the previous chapter, in April of that year, P&B Alloa authorised P&B Launceston to offer George Barker up to an additional £2 per week to remain with the firm. This would increase his salary to £10 per week, considered to be "an extreme wage" (a common catch-cry for the parent company that decade).<sup>146</sup> Launceston was able to retain Barker with only a £1 raise.<sup>147</sup>

Before Andrew Maitland's two year contract expired in July 1925, Arthur Procter warned Alloa that Maitland would not be satisfied with his current £7 per week. Already authorised to offer Maitland an additional £1 per week, Procter felt that £2 would be necessary to retain him, having heard, "in a round about way", that

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<sup>139</sup> ARP, To T. Stirling, 9/6/1924; & ARP, To W.T. Procter, 11/4/1924: P&B, Private Correspondence Ex. Alloa.

<sup>140</sup> ARP, To W.T. Procter, 19/3/1924 & 11/4/1924: P&B, Private Correspondence Ex. Alloa.

Procter pointed out that he and Dawson got on very well together, consulting with him before anything which was not purely routine was done, and he personally hoped Dawson's pay increase was granted.

<sup>141</sup> ARP, To T. Stirling, 9/6/1924: P&B, Private Correspondence Ex. Alloa.

<sup>142</sup> T. Stirling, To ARP, 18/2/1925: P&B, Private Correspondence Ex. Alloa.

<sup>143</sup> T. Stirling, To ARP, 27/6/1927: P&B, Private Correspondence Ex. Alloa.

<sup>144</sup> The Home branches paid £250 of Dawson's salary because he also made purchases for them.

T. Stirling, To ARP, 24/5/1926: P&B, Private Correspondence Ex. Alloa.

<sup>145</sup> T. Stirling, To ARP, 25/2/1927: P&B, Private Correspondence Ex. Alloa.

Dawson's job required spending months at a time away from home. In May 1926, for example, he spent at least 5 months overseas.

T. Stirling, To ARP, 24/5/1926: P&B, Private Correspondence Ex. Alloa.

<sup>146</sup> W.T. Procter, To ARP, 27/4/1925: P&B, Private Correspondence Ex. Alloa.

Maitland had received other offers. Procter recognised that men with Maitland's knowledge of wool were in much demand, and people were prepared to offer them "fairly good salaries".<sup>148</sup> He gave the example of Willie Robertson, who had been offered £9 per week by a Sydney firm as a wool classer. Both these instances demonstrate the company's understanding of the difficulties they faced retaining their elite employees. Although authorising Maitland's £2 increase, P&B Ltd felt that a somewhat lesser arrangement could be reached, as this was an "outstanding wage" (later described as "excessive")<sup>149</sup> for someone in his position.<sup>150</sup> Skilled labour had the upper hand, however, and Maitland acquired the entire £2 increase in exchange for signing a four year contract.<sup>151</sup> In May 1929 Maitland applied for a further increase as the end of that contract approached. While not considering the job worth any more, Procter again advised that an increase might be necessary to retain Maitland's services. Head-hunting by other firms remained a concern, as Procter suspected that Maitland had been offered a salary of £10 per week by a Melbourne company.<sup>152</sup> Believing Maitland was well paid at £9, P&B Alloa recognised that his departure would place Launceston in an awkward position and granted an increase to £10 in exchange for another four year contract.<sup>153</sup>

By late 1925, the majority of P&B's migrants had received pay increases. In December of that year, Arthur Procter recommended a £100 p.a. increase for William Ferguson, pointing out that Ferguson was now the only Alloa migrant not to have received an increase.<sup>154</sup> No mention is made of the Halifax migrants, but one of the previous examples, George Barker, was from Halifax. Ferguson, however, had started on a salary of £800 p.a., the approved increase raising that amount to £900 taking effect from January 1926.<sup>155</sup> Ferguson again requested a pay increase in October 1928.

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<sup>147</sup> ARP, To P&B, Alloa, 28/4/1925: P&B, Private Correspondence Ex. Alloa.

<sup>148</sup> ARP, To T. Stirling, 29/5/1925: P&B, Private Correspondence Ex. Alloa.

<sup>149</sup> ARP, To P&B, Alloa, 31/5/1929: P&B, Private Correspondence Ex. Alloa.

<sup>150</sup> T. Stirling, To ARP, 13/7/1925: P&B, Private Correspondence Ex. Alloa.

<sup>151</sup> ARP, To T. Stirling, 9/9/1925: P&B, Private Correspondence Ex. Alloa.

<sup>152</sup> ARP, To P&B, Alloa, 31/5/1929: P&B, Private Correspondence Ex. Alloa.

<sup>153</sup> P&B Alloa did not want the question of a pay increase for Maitland raised again for "some considerable time", but need not have worried as Maitland died soon after. In September of that year, urgent arrangements were therefore being made to send John Dunley and family out from Alloa on assisted passages as Maitland's replacement.

W.T. Procter, To ARP, 25/7/1920; ARP, To T. Stirling, 23/10/1929; & T. Stirling, To ARP, 6/9/1929; & ARP, To T. Stirling, 23/10/1929: P&B, Private Correspondence Ex. Alloa.

<sup>154</sup> ARP, To P&B Alloa, 16/12/1925: P&B, Private Correspondence Ex. Alloa.

<sup>155</sup> ARP, To P&B Scotland, 26/10/1928: P&B, Private Correspondence Ex. Alloa.

Acknowledging that Ferguson could command a considerably higher wage on the mainland,<sup>156</sup> he was granted a further £100 p.a. increase.<sup>157</sup>

For some of the workers, wage increases were not only substantial, they were very regular. British migrant, S.B. Stewart, took control of P&B Launceston's order department in April 1926. Commencing at £5 per week, his salary was increased to £6 on 1 October 1926 (the order department had been considerably enlarged that month); to £7 on 1 March 1927 (the department had continued to expand); and was recommended for an increase to £8 in May 1927.<sup>158</sup> P&B Alloa felt that Stewart's salary was advancing "by leaps and bounds" to which they were unaccustomed, and found it difficult to comprehend what additional duties could warrant such increases.<sup>159</sup> Agreeing to be guided by Procter's opinion, however, the latest advance was approved as of 1 October 1927. This was on the understanding that such increases could not continue as Stewart's salary was as high as his position would carry. At the end of 1929 S.B. Stewart again requested an increase from £8 per week to £500 per year. Stewart claimed to have been promised this salary by Alloa director John Forrester-Paton, during his 1926 visit to Tasmania. Asked for confirmation, Forrester-Paton evidently did not support Stewart's version of events. Stewart did receive an increase from 1 October, but it was to only £450 rather than the £500 requested.<sup>160</sup>

Not only those with years of experience were able to attract wage increases during this period. In July 1928 a salary increase from £6-10-0 per week to £8 was recommended for then 23 year old Elliott Rae. Rae had worked in P&B's wool office since April 1924. Experienced in almost all aspects of the department, including buying, Rae shouldered much responsibility with Dawson frequently away in New Zealand. He was also receiving top marks in accountancy studies being undertaken in his spare time. While acknowledging the increase was substantial for one of Rae's age, Procter felt Rae could easily procure a mainland position at much more than he

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Demonstrating the differences in wages between management and the general worker, at the same time Ferguson was earning £900 p.a., or over £17 per week, one of the most junior employees, J. Pennyston, the office boy, was earning 15s. per week.

'Report on Office Staff', ARP, To P&B Alloa, 21/5/1926: P&B, Private Correspondence Ex. Alloa.

<sup>156</sup> ARP, To P&B Scotland, 26/10/1928: P&B, Private Correspondence Ex. Alloa.

<sup>157</sup> W.T. Procter, To ARP, 20/12/1928: P&B, Private Correspondence Ex. Alloa.

<sup>158</sup> ARP, To P&B Alloa, 23/5/1927: P&B, Private Correspondence Ex. Alloa.

<sup>159</sup> W.T. Procter, To ARP, 28/6/1927: P&B, Private Correspondence Ex. Alloa.

<sup>160</sup> ARP, To P&B Alloa, 18/12/1929: P&B, Private Correspondence Ex. Alloa.

currently made.<sup>161</sup> Alloa were “anxious to encourage our capable men all we can”, but felt £8 to be at the top side for Rae, agreeing instead to a £1 increase from 1 August that year.<sup>162</sup> Procter responded that he realised the amount was high but had not wanted to risk losing Rae’s services. Rae, nevertheless, seemed happy with the amount.<sup>163</sup> His £8 per week salary was subsequently approved as of 1 January 1930.<sup>164</sup>

The first pay related claim at K&K (Tas) came as early as August 1923, when engineer Sam Tuting requested extra remuneration for working time above that prescribed in his contract. He had also acted as night watchman at the mill since the previous Easter<sup>165</sup> (it was Tuting who was granted a company housing loan to enable him to be on call). While pay claims at both mills were often linked to increased responsibility as the mills expanded, K&K (Tas) generally showed themselves unwilling, and probably less financially able, than P&B Launceston to remunerate employees accordingly. Tuting’s request was forwarded to K&K Rochdale who had made the contract,<sup>166</sup> and three months later a £10 bonus was approved.<sup>167</sup> As at P&B, one-off bonuses were both less expensive than wage increases in the long term and helped avoid triggering pay increases by other staff.

Tuting was next awarded a 10s. per week pay increase in February 1926. This was again granted only to cover an increased workload resulting from a night shift

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<sup>161</sup> ARP, To P&B Alloa, 31/7/1928: P&B, Private Correspondence Ex. Alloa.

<sup>162</sup> Stirling, To ARP, 15/9/1928: P&B, Private Correspondence Ex. Alloa.

<sup>163</sup> ARP, To Stirling, 31/10/1928: P&B, Private Correspondence Ex. Alloa.

<sup>164</sup> ARP, To P&B Alloa, 18/12/1929: P&B, Private Correspondence Ex. Alloa.

<sup>165</sup> The company also had a member of the public doing a similar job for no pay. For the 18 months prior to April 1923, a Mr. Higgins had pastured his horse on the K&K owned Barnard estate, having not been told to remove the animal when the land was purchased. The company had since locked the gate into the paddock and, when Higgins requested the key to remove his horse, the company decided to charge an agistment fee of 2s. 6d. per week, backdated for twelve months. Higgins’ response was not recorded, but a mutual agreement was eventually reached under which the bill was waved and Higgins’ horse allowed to remain free of charge, in exchange for Higgins “keeping an eye on the Mills and guarding against trespassers during non-working hours”. Higgins was also given the authority to question and act upon people entering the premises in non-working hours. P&B handled a similar situation at their property with greater tact. Upon transfer of Council land to P&B Launceston, a Mr. E.A. Fawkner was informed by the Council that his rights to graze on the Reserve had been terminated. Unlike K&K (Tas), P&B Launceston had no objections to Fawkner’s sheep remaining “for the time being” and placed no conditions upon their offer - it might have been bad for public relations for a woollen mill to evict sheep off its property.

*Minutes of K&K Directors’ Meetings*, 10/4/1923 & 16/4/1923.

Acting Town Clerk, To Mr. E.A. Fawkner, 15/6/1923: Launceston City Council, Land & Properties General (1922-23), 21/1.1.

<sup>166</sup> *Minutes of K&K Directors’ Meetings*, 31/8/1923.

<sup>167</sup> *Minutes of K&K Directors’ Meetings*, 23/11/1923.

being commenced.<sup>168</sup> Nevertheless, Tuting appears to have continued doing substantially more than for which he was paid. When re-negotiating his contract in 1928, he agreed to renew for a further three years on the same terms as before, asking only for consideration regarding holidays. He customarily worked Christmas week, most mill holidays and many weekends. The only concession guaranteed Tuting, however, was an increase in annual holidays from two to three weeks. Even this came with a proviso: the three weeks were not to be taken all at once, and timing was subject to the mill manager's discretion. The mill manager was also authorised to allow Tuting an occasional week day holiday in lieu of the considerable amount of weekend work he put in.<sup>169</sup> There are examples of other K&K (Tas) foremen receiving pay increases, and these also appear to have been granted because of an increased workload. In February 1926 K&K (Tas)'s weaving manager,<sup>170</sup> Fred Crow, was awarded a pay increase to £6. 10s. per week. Directors made it clear that "under normal circumstances" Crow was not to expect any further increase during the period of his present agreement.<sup>171</sup>

By contrast, pay increases for K&K (Tas)'s managing director were approved with little comment. Even financially strapped companies knew that good leadership was essential to their success and were willing to pay for it. In April 1925, at the height of the textile industry's depression, K&K (Tas)'s managing director was granted a £150 p.a. advance, backdated to 1 January.<sup>172</sup> When renegotiating the managing director's salary in August 1929, a somewhat lesser pay increase of £50 p.a. was approved, again back-dated to the start of the year and expected to last until the end of his present agreement. A £50 p.a. car allowance was also approved. K&K's managing director and directors were additionally entitled to a percentage of company's profits. The managing director's 1929 salary increase was, for example, subject to a decrease in his present rate of commission from 3.33% to 2.5%.<sup>173</sup> Directors were entitled to 2% of profits when sufficient profit was made to declare and pay more than a 10%

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<sup>168</sup> *Minutes of K&K Directors' Meetings*, 24/2/1926.

<sup>169</sup> *Minutes of K&K Directors' Meetings*, 24/5/1928.

<sup>170</sup> Interview with P.M. Hart, 24/11/1995.

<sup>171</sup> *Minutes of K&K Directors' Meetings*, 24/2/1926.

<sup>172</sup> *Minutes of K&K Directors' Meetings*, 24/4/1925.

<sup>173</sup> *Minutes of K&K Directors' Meetings*, 28/8/1929.

Under current economic conditions the exchange was probably a better deal for Overstall than percentage of profits.



dividend.<sup>174</sup> Some company foremen had contracts which similarly entitled them to a percentage of company profits. In early 1926 Jim Holt negotiated a new four year contract at £500 p.a. plus 2% of company profits. There is no indication of comparable deals with foremen at P&B Launceston, which may partly account for less frequent demands for pay increases at K&K (Tas). Nevertheless, considering the company's financial position during the 1920s, profit-related deals would not have returned much.

### **Labour Efficiency**

Difficulties in retaining skilled labour at Launceston's two British controlled woollen mills impacted upon labour efficiency. Although Forster points out that no direct measure of efficiency can be made for the woollen industry during the 1920s, he determined that country mills generally appeared less efficient than city mills.<sup>175</sup> Claims of inefficiency during the twenties appeared truer for K&K (Tas) than P&B Launceston. Migrant managerial staff at P&B tended to be replaced by other migrant workers, the greatest problem here being a delay between one migrant leaving and another arriving. Locally trained labour, however, was more likely to be replaced by unskilled locals who had to be trained from scratch. As K&K (Tas) appears to have lost more workers from this latter category, they suffered greater inefficiency. In 1928, K&K Ltd director, R.C. Roe, paid credit to how well the Launceston mill was doing in view of all the labour needing to be trained. Complimenting K&K (Tas)'s management, Roe singled out George Brooks' achievements, despite being "badly handicapped" by the lack of experienced labour.<sup>176</sup> K&K (Tas) did not emerge from these difficulties until around 1927, when Stackhouse was finally able to report an improvement in the company's ongoing labour troubles. Following an increase in the company's output which was partly attributable to improved labour efficiency, Stackhouse summarised past problems:

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<sup>174</sup> In 1936 K&K (Tas) directors proposed changes to directors' remuneration regarding percentage of profits. Believing it was not the intention of their agreements that a percentage of profits only be paid to directors when profits were declared, directors proposed that the 2% payment be linked to profits being made, but not necessarily declared.

*Notes from K&K Chairman's Speech for Seventeenth AGM, 11/9/1936.*

<sup>175</sup> Forster, *Industrial Development*, p.91.

<sup>176</sup> *Minutes of K&K Directors' Meetings, 24/5/1928.*

The Company has suffered severely in the past from want of efficiency, because just as labour was trained to some extent the trade depression that came along made it absolutely necessary to discharge some labour and go on half time. When trade conditions improved we could not get the labour together again and it took us some time to train fresh labour. That difficulty is very nearly over, however, and the people in the Mill are increasing in efficiency to a very marked degree.<sup>177</sup>

Adding weight to claims of improved labour efficiency, in August 1927 K&K (Tas) directors reported, “we are getting the utmost from our available plant at present”.<sup>178</sup>

P&B Launceston appear to have suffered to a lesser extent from loss of labour and its associated effects upon efficiency, and from the outset sustained the attitude that their mill would be particularly efficient. Increasing reliance upon machines rather than people was the key. The *Examiner* first stressed this point during P&B Launceston’s construction in 1922. Claiming that P&B had “availed themselves of every opportunity” to install “the latest machinery”, the paper was enthusiastic about these innovations:

It is really wonderful to what perfection modern wool spinning machinery had been brought in an effort to minimise labour costs. Labour is one of the big factors in industry, and manufacturers have been forced to seek and inventors to provide plant that will result in economics. The spinning industry is no exception, in fact the process is such a long one that it is essential in the modern mill to have the latest labour saving devices to get results.<sup>179</sup>

Soon after P&B Launceston began production, the *Examiner* reiterated that “efficiency is largely written over the works”.<sup>180</sup>

### **The Alleged Superiority of the British Worker**

Despite optimism at the efficiency of modern machinery, not all within the firm were convinced that Tasmanian labour met the company’s high efficiency standards. During a 1926 visit to Launceston, P&B Alloa director, John Forrester-Paton, remarked that it was not yet true that “Tasmanian workers were equal in efficiency to those in Scotland, but he saw no reason why they should not reach the same standard”.<sup>181</sup> Within the same decade, however, P&B directors would admit to being

<sup>177</sup> *Minutes of K&K Directors’ Meetings*, Eighth AGM, 17/8/1927.

<sup>178</sup> *Minutes of K&K Directors’ Meetings*, Eighth AGM, 17/8/1927.

<sup>179</sup> Describing P&B’s new premises as “the most up-to-date in the world”, the *Examiner* felt that, as the most recent mill brought into operation in Australia, it “may be regarded as the thing in spinning mills”.

*Examiner*, 21/4/1922: P&B Mill History File.

<sup>180</sup> *Examiner*, 26/1/1924.

<sup>181</sup> ‘Manufacturer farewelled’ (undated press cutting): Launceston City Council, Rapson Tyre Industry - Industries General (1926-27), 21/1.5.

“well satisfied” with local workers and “surprised at their aptitude to learn various operations they were required to perform”.<sup>182</sup>

Upon K&K’s decision to establish in Launceston, State parliament was told that the company intended to introduce a number of operatives with the “necessary technical knowledge” from England, but, as local employees became skilled, expert work would be given to them.<sup>183</sup> Nevertheless, both K&K (Tas) and P&B Launceston would long demonstrate a lack of confidence in the skill of local workers, and showed considerable hesitation in allowing locals to assume certain positions within the mill. While a shortage of locals with the requisite skills was the main reason for introducing British staff when the mills commenced, the persistence of this practice, particularly at top management level, suggests an underlying lack of confidence by British controlling interests in the ability of Australian workers. Even when all other management levels were gradually filled by locals over successive years, P&B Launceston did not appoint its first non-British general manager until August 1987.<sup>184</sup> Ian Webster, the pioneering Australian, held that the company’s “attitude was typical of the English companies attitude everywhere ... It was part of a feeling that we were colonials and needed to be taught properly”.<sup>185</sup>

A perception that Australian workers were inferior to British workers was also apparent at K&K (Tas). Upon taking up the position of K&K’s managing director in early 1926, Les Overstall was unhappy with the production output of the weaving department and by September decided the company would nominate the Howarth family, Tom, Annie and daughter Doris. While Tom was to work in the mill as a labourer (certainly a position a local could have assumed), Annie was selected for her skills as a weaver.<sup>186</sup> It was intended that Annie would set the standard for local girls, or highlight their shortcomings as the case may be. As it turned out, within a few weeks of Annie’s arrival it became apparent she was no better than the best of the

<sup>182</sup> ‘Assisted Migrants’, by A.E. Weymouth, 1937: SWD 5/1.

<sup>183</sup> Fifth Annual Report of the Industrial Department for 1919-20, No. 21, p.4: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1920-21.

<sup>184</sup> This of course excludes William Stewart, the first general manager. Victorian based Stewart handed power over to Arthur Procter soon after production commenced and did not even reside permanently in Tasmania until late in the mill’s construction phase.

<sup>185</sup> *Examiner*, 10/10/1987

Webster believed that this attitude had disappeared over several years.

<sup>186</sup> ‘State of Tas, Assisted Immigration by Nomination’, 11/9/1926: SWD4, M 9/673.

locally-trained girls. Overstall was reputedly “confounded”.<sup>187</sup> K&K (Tas) were also hesitant in allowing a local to be appointed to their company’s top position. The main argument for introducing British workers had always been that the necessary skills were not available locally. Nevertheless, when Les Overstall’s British successor, Tom Dawson, was chosen, he was straight out of university and inexperienced. With over a decade remaining before Overstall retired, Dawson had many years in Tasmania to gain experience before assuming the top position.<sup>188</sup> A promising local could just as easily have been groomed for the role.

Also influencing a belief in the superiority of British textile workers was a belief in “hereditary instinct”. P&B’s general manager from the end of the 1920s, J.B. White, elaborated upon this philosophy the following decade:

certain firms in England have held for decades a pre-eminent position in the production of certain classes of yarns, and ... their employees are drawn from families who have been connected with the firms for generations. This is a case of hereditary instinct and ingrained, almost subconscious, knowledge.<sup>189</sup>

According to such reasoning first generation Tasmanian woollen workers were innately inferior to their British counterparts with a long background in the industry. White then undermined the whole basis of this argument. He added that, after ten years in Launceston, P&B had “found it unnecessary, unless in exceptional circumstances to bring any people from the home mills, because Tasmanian employees had proved so very receptive that many have been promoted to positions of trust and responsibility in the working control of the Launceston mill”. White’s statement was no doubt influenced by public concerns about the continued importation of labour. The experience gained from overseas ventures, however, also proved that non-British workers soon became as skilled as their British counterparts, and helped debunk the idea of “hereditary instinct”.

The abandonment of this philosophy by P&B Ltd became apparent after World War II, when P&B constructed the world’s largest knitting wool manufacturing plant, in Darlington, County Durham, England. This was an area not traditionally associated

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<sup>187</sup> Interview with P.M. Hart, 24/11/1995 & 1/11/1996.

Les Overstall told Hart this story, suggesting Overstall did see the irony in the situation.

<sup>188</sup> Les Overstall went to England after the war “to upgrade his skills”, and seek a future replacement for his own position. Visiting the Textile Section of Leeds University to inquire about a suitable candidate, K&K Rochdale’s verdict on the chosen candidate was “If you don’t take him, [we] will”.

Interview with P.M. Hart, 24/11/1995.

<sup>189</sup> ‘Pioneer Booklet’, signed J.B. White, 1934: ‘Some Old Records and Information of Interest from 1923’.

with textile manufacture. In direct contrast to White's 1934 statement, P&B Ltd boasted that, by drawing the majority of labour from women and girls with no textile manufacturing experience, the company was able "to introduce scientific training methods and scotch the old tradition of 'inherited skills'".<sup>190</sup> All these staff, it was claimed:

lack the 'inherited skill' of which so much has been heard in the textile industries. Patons and Baldwins have always been a little sceptical of this alleged inheritance; having trained a heterogeneous collection of girls and women to a point where the best of them, after a maximum of three years' experience, can compete in output with any West Riding operative, they feel that they have finally scotched it.<sup>191</sup>

While the abandonment of this belief may or may not have influenced the company's faith in its non-British textile workers at mills such as Launceston, it did discredit a major bargaining tool of established workers. In the past, the experience inherent in hereditary skill provided the relevant textile workers with some negotiating power. The company also saw this connection. In establishing their Darlington factory, P&B Ltd admitted that the recruitment of a new work-force "completely untrammelled by the traditions and prejudices of the older staff in the textile industries" was something "many a harassed industrialist has ardently dreamed of".

### **Paternalism, Social Hierarchy, and Community**

Despite difficulties retaining labour, ongoing wage battles, and an apparent lack of confidence in the abilities of local workers, both K&K (Tas) and P&B Launceston claimed good work place relations. After 49 years with K&K, P.M. Hart held that relations between management and workers were "excellent".<sup>192</sup> During a 1926 directorial visit to P&B Launceston, John Forrester-Paton, likewise commented that employer/employee relations, "were very pleasant".<sup>193</sup> P&B Launceston went further, claiming that "A tradition of good relationship between Management and Workers [had] persisted throughout the history of the firm".<sup>194</sup> This "happy feature" was seen to result from "the interest taken in the well being of the workers since the inception of

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<sup>190</sup> *Business, The Journal of Management in Industry*, April 1951, p.46: Miscellaneous material held by CP.

<sup>191</sup> *Business, The Journal of Management in Industry*, April 1951, p.46: Miscellaneous material held by CP.

<sup>192</sup> Interview with P.M. Hart, 24/11/1995.

<sup>193</sup> 'Manufacturer farewelled' (undated press cutting): Launceston City Council, 21/1.5.

This statement ignored much of the unpleasantness discussed in the previous chapter.

<sup>194</sup> *'The Romance of Patons Yarn': 'Some Old Records of Interest from P&B Launceston'*.

the business". Company interest in all aspects of employees' lives can certainly be traced back to the origins of both K&K and P&B during the Industrial Revolution. Mill owners' responsibility toward employees was traditionally seen to extend beyond the workplace, and they often led the way in establishing, and being actively involved in, community facilities such as schools and churches.<sup>195</sup> On the one hand, this behaviour could be seen as a way of further controlling the work-force by interference in religion and education, traditionally recognised as two of the most powerful means of social control.<sup>196</sup> From another perspective, however, the owners viewed themselves as the patriarchal head of their family (the employees) and the move from running a factory to participating in the social sphere was a natural progression. This relationship was also one acceptable from both sides. Reciprocal duties of workers and those in power were firmly established principles in Britain, as in most societies.

When Launceston's two British-controlled companies began operations in the 1920s, this paternalistic attitude was still apparent to varying degrees at both mills, although was more strongly associated with P&B. E.Z. and Cadbury also "sought to integrate their employees through forms of paternalism", Cadbury extending its concern for employees' welfare to issues of morality.<sup>197</sup> Soon after K&K's decision to establish in Launceston, Henry Reynolds had praised the mill's proposed inclusion of "the latest improvements, ventilation, lighting and other things affecting the welfare of employees".<sup>198</sup> Likewise, before P&B's deal was finalised, parliament was told that

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<sup>195</sup> Focusing upon the contributions of the Paton company during the nineteenth century, various directors from that company served upon and headed their local Council and school board, as well as building and donating to their communities a Town Hall with a reading room, public baths and a gymnasium, a higher grade/secondary school, a model workshop for manual instruction, and a hall and suite of rooms for Sunday School work.

*The Romance of Patons Yarns: 'Some Old Records of Interest from P&B Launceston'.*

<sup>196</sup> The link between religion and work place politics was not just confined to the nineteenth century. When P&B Launceston and K&K (Tas) workers headed the 1932 strike action against wage reductions, the minister of Launceston's Congregational Church commented that "It is not for the church to say how much employers should pay their men", but that it was the Church's place "to say that the man who scamps his work, breaks an arbitration court contract, or adopts an irritation strike is an unchristian workman". The Church did claim to oppose oppression of workers.

*Examiner*, 5/9/1932.

<sup>197</sup> Robson, A History of Tasmania, p.420; Also see Alison Alexander, *A Heritage of Welfare and Caring: The EZ Community, 1918-1991* (Risdon, 1991) & Ruth Barton, 'Cooperation and Labour Management at Electrolytic Zinc and Cadbury-Fry-Pascall Between 1918 and 1939', M.A., Uni. of Tas., 1989.

<sup>198</sup> Fifth Annual Report of the Industrial Department, 1919-20, No. 21, p.4: Tasmania. Journals and Printed Papers of Parliament, vol. 1920-21.

employees of this new mill would be working “under the best conditions”.<sup>199</sup> In early 1924 the *Examiner* claimed that “Nothing could be better than the actual conditions” in this “ideal factory”, which showed “every consideration for those who have to work in it”.<sup>200</sup> Concluding that P&B Launceston had “gone far beyond what might reasonably have been expected of them in providing for their employees,” the paper then touched upon the company’s motivation for offering such conditions. P&B believed that “if the best work is to be accomplished it is desirable that the conditions should be such as to enable that to be done”. Among the facilities P&B provided for employees was a canteen in the northern end of the western wing. Described as a “striking example of the firm’s consideration for their employees”, the canteen’s interior was “decidedly pleasing with its stained Tasmanian oak walls”. Employees were then able to eat their meal in a large upstairs room called the social hall, also to be used for various gatherings, under conditions comparing “very favourably with those of a city cafe”. (See illustration Nos. 26 & 27.) When the mill was fully operational the company proposed offering a substantial mid-day meal at a minimal cost. In early 1924, however, only a cup of tea could be obtained at lunch time for 1d. and employees acted as their own waiters as a matter of economy. These facilities were superior to those at K&K (Tas), where original plans allowed no provision for workers at meal times. In December 1920, local directors had supported E.G. Stone’s suggestion that provision be made for employees to have their meals under cover, and space be provided for bicycles and luncheon baskets. They agreed to bring the matter to K&K Rochdale’s attention.<sup>201</sup> The result of these discussions is unclear, but K&K (Tas) did not begin operations with a canteen. Many of its workers, however, lived close enough to the mill to go home for lunch. During the war the company eventually purchased a house to act as a canteen at the end of Mayne Street, and thereafter provided subsidised lunches.<sup>202</sup>

The first welfare scheme proposed for P&B Launceston was an attempt to appease worker dissatisfaction, and again related to the migrant workers’ contracts. As mentioned earlier, P&B had agreed, after some debate, to honour its female

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<sup>199</sup> Seventh Annual Report of the Industrial Department, 1921-22, No. 14, p.8: Tasmania. Journals and Printed Papers of Parliament, vol. 1922-23.

<sup>200</sup> *Examiner*, 26/1/1924, p.6.

<sup>201</sup> *Minutes of K&K Directors’ Meetings*, 20/12/1920.

<sup>202</sup> Interview with P.M. Hart, 24/11/1995.

Mayne Street was the street in which the mill was located.

migrants' wage conditions during their two-year contracts. Simultaneously announced, however, was the parent company's refusal to pay the girls during sickness. The girls were "rather sore" because this benefit had also been promised for the duration of their contracts.<sup>203</sup> P&B Launceston pleaded the girls' case. Procter suggested that if the company was not willing to pay the girls when sick, they might consider paying subsidies to a lodge (the prevailing form of private health insurance). Procter pointed out that medical fees were high and because Australia had no national health scheme, it was "a serious matter for a girl to pay a doctor's bill" even when on full wages. The parent company subsequently decided to honour its original verbal agreement until the contracts expired.<sup>204</sup> This only related to migrant employees, and therefore did not benefit most of the company's workers.

Another proposal to establish P&B Launceston's first welfare scheme for workers was made in the latter half of 1924. P&B Alloa were interested in receiving particulars of this proposed Benevolent fund, as the only scheme similar at their mill was used for unemployment relief and other "hard luck" cases.<sup>205</sup> Run under the auspices of the Trade Union, P&B Alloa's fund received voluntarily contributions from the workers, with weekly funds collected matched by the firm. Alloa described the scheme as "a great boon to our people". There is no indication as to whether the Launceston project advanced beyond discussion stage. While P&B Alloa showed some enthusiasm in this case, dependence on Britain could hamper such schemes. K&K (Tas)'s financial difficulties did not allow their company to implement employee welfare schemes in the 1920s but, even when conditions improved, progress was restricted by controlling British interests. In 1936, for example, K&K (Tas)'s local directors were keen to establish an employees' Mutual Benefit Society, but did not have the authority to make lump sum contributions to such a scheme.<sup>206</sup> The response of Rochdale directors was evidently negative, as the matter was let drop for that year. Although alternative schemes were discussed,<sup>207</sup> none eventuated that decade. K&K (Tas) did eventually establish a sick benefit fund in May 1940,<sup>208</sup> seemingly the first such scheme at the mill.

<sup>203</sup> ARP, To P&B Alloa, 1/4/1924: P&B Correspondence, 1923-24.

<sup>204</sup> Telegram from P&B Alloa, 8/5/1924: P&B Correspondence, 1923-24.

<sup>205</sup> W.T. Procter, To ARP, 13/10/1924: P&B, Private Correspondence Ex. Alloa.

<sup>206</sup> *Minutes of K&K Directors' Meetings*, 24/6/1936.

<sup>207</sup> *Minutes of K&K Directors' Meetings*, 23/7/1936.

<sup>208</sup> Sick Benefit Fund: QVM, Box MS5, 1977/79/22.



While K&K (Tas) may not have had money to contribute to expensive welfare schemes in the 1920s, the mill's employees demonstrated that a sense of community in the work place was not dependent upon financial input, or even support, from controlling interests. In late 1925, a well attended meeting of K&K (Tas) employees unanimously approved staging their first company picnic at Swan Point on 13 February the following year. Although trade was just beginning to pick up at this time, the "unfortunate position" of K&K (Tas) "was such that it could not guarantee any financial support".<sup>209</sup> Directors were, nevertheless, supportive of the idea (in theory).<sup>210</sup> The company's lack of support for this venture was apparent in its decision that time lost during the Saturday morning of the picnic had to be made up. Overtime schedules ran from 1-12 February.<sup>211</sup> At a time when the mill was suffering badly from a loss of operatives, the company might have been well advised to show greater support for any event contributing to a sense of community within the mill. When arrangements were made to hold another picnic the following year, K&K claimed it was still not in a position to contribute. Directors did, on this occasion, show their support by each personally providing a £1 donation<sup>212</sup> and agreeing to make the picnic day a half holiday.<sup>213</sup> The same year as K&K's first picnic, P&B hired Launceston's Albert Hall to hold an employee social and dance. It was not until 1933, however, that the company's long-running tradition of an annual sports day at York Park, followed by a ball at the Albert Hall, came into being.<sup>214</sup>

Both companies also operated a variety of sporting and social clubs throughout their time in Launceston. These appear to have largely commenced after the time period under consideration, but P&B Launceston did have a soccer team as early as 1925. Choosing soccer as the first company team-sport demonstrated the British influence at the mill, and a team photo including the general manager and other senior foremen showed company support for the venture. (See illustration No. 28.) Michael

<sup>209</sup> *K&K Employee Picnics*, 16/12/1925 & 21/12/1925: QVM, Box MS5.

<sup>210</sup> 2s. per head was charged to cover the cost of chartering the S.S. 'Rowitta' for transport to the location, hiring two tarpaulins, and providing ice-cream and a keg of ginger beer. The picnic committee also provided hot water and tea and arranged the sports, prizes and music, while participants - which extended to friends of mill employees - were to bring all their own edibles.

*K&K Employee Picnics*, 16/12/1925 & 21/12/1926: QVM, Box MS5.

<sup>211</sup> *K&K Employee Picnics*, 11/1/1926: QVM, Box MS5.

<sup>212</sup> *K&K Employee Picnics*, 16/12/1926: QVM, Box MS5.

<sup>213</sup> *K&K Employee Picnics*, 19/1/1927: QVM, Box MS5.

K&K (Tas)'s company picnics did not continue on after their second year (perhaps a result of the company's lack of support for the event), although the union did run employee picnics in later years.

Roe points out that Tasmanian soccer has always depended upon imported interest, and describes Victor Tuting (one of K&K's original employees) as long "the organising genius of local soccer football".<sup>215</sup> The first indication of team sport at K&K (Tas) came just after the end of the time period under review, with a female hockey team.<sup>216</sup>

Not confining itself to projects benefiting its own employees, P&B Launceston also became involved in the wider Launceston community during the period under review. As previously noted, unemployment had been a concern since the beginning of the 1920s. While male unemployment remained relatively stable throughout the 1920s,<sup>217</sup> greater community awareness of the issue was apparent during the Depression years. In June 1930 a meeting was held of committee members appointed by Launceston citizens to consider means of relieving unemployment. A number of fund-raising schemes were devised, including requests from all business houses and their employees for contributions. The overall response was hailed as "highly satisfactory", and the committee commended "the generosity of several industries and government departments".<sup>218</sup> There was, however, a marked difference in the response of the two British textile mills. P&B Launceston had two representatives on the unemployment committee, its general manager, J.B. White (representing the firm) and employee representative, J. Cannon.<sup>219</sup> Employees of P&B Launceston were also the second largest industrial contributors to the unemployment fund, donating £191. 1s. 9d.<sup>220</sup> Unrepresented on the committee, K&K (Tas) twice refused requests for assistance because of the current financial position of their own mill which was on

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<sup>214</sup> See *Albert Hall Booking Register*: Launceston City Council 6, 42/1.

<sup>215</sup> Michael Roe, *Australia, Britain and Migration 1915-1940: A Study of Desperate Hopes* (Oakleigh, 1995), p.243.

<sup>216</sup> See photographic collection, QVM 1988: P0322.

<sup>217</sup> In late 1925 local papers reported that between 250 and 300 men were out of work in the city; while 300 Launceston men were reported as unemployed in May 1930.

21/9/1925: LCC Press Cuttings, 18/4/1923-19/1/1926; & 20/5/1930: LCC Press Cuttings, 1926-30.

<sup>218</sup> Chairman, To Members of Mayor's Unemployment Relief Committee, 30/10/1930: Launceston Council, Funds - Unemployment Relief, 20/3.7.

<sup>219</sup> Robert Hogarth, Director of Waverley Woollen Mills, was also a committee member, but as a representative of the Chamber of Manufacturers, not his mill.

Minutes of meeting of committee appointed by citizens to consider ways and means of raising funds to relieve unemployment [in future referred to as Minutes of Unemployment Committee], 19/6/1930: Launceston Council, 20/3.7.

<sup>220</sup> Chairman, To Members of Mayor's Unemployment Relief Committee, 30/10/1930: Launceston Council, 20/3.7.

The largest contributors were staff from the Railways' Department. In recognition of their efforts, the committee wrote P&B staff a letter of thanks "for their very generous donations to the fund", the letter posted on the mill notice board.

short-time.<sup>221</sup> The differing responses not only reflected on the two mills' differing economic circumstances since beginning production, but P&B Launceston's larger size also created a greater sense of community ownership and community responsibility.

While the textile companies may have fostered good work-place relations through the implementation of welfare schemes and involvement in employee and community activities, both reinforced a sense of class-consciousness at work. This reflected in the companies' hierarchical structures. The top managerial staff at P&B, for example, inspired a sense of awe, perhaps even fear, from those below them. They were easily identifiable by the white dust jackets they wore, a symbol of one's work-place status.<sup>222</sup> The practice of such jackets was also seen at K&K (Tas) and was adopted by consecutive general managers in the 1920s.<sup>223</sup> K&K additionally had one of the most recognisable icons of the class system at the top of their structure - an English Lord. London-based Lord Rochdale, later promoted to Viscount, reputedly did his bit for reinforcing stereotyped class perceptions. Stories about Lord Rochdale's occasional visits to the company's Rochdale mills filtered back to K&K (Tas). Conspicuously arriving in a Rolls Royce, he was said to be accompanied by a different young woman on every trip, whilst Lady Rochdale was never to be seen.<sup>224</sup>

Employees within both mills were very aware of how their particular jobs fitted into defined social strata, which reinforced assumptions concerning behaviour and status. When head of P&B Launceston's wool department, Watson Dawson, applied for a substantial pay increase in early 1924,<sup>225</sup> Arthur Procter advised P&B Alloa that Dawson had been "having a pretty rough time of it"<sup>226</sup> with Launceston's high cost of living.<sup>227</sup> Dawson was not, however, struggling to survive, but struggling to maintain his expected social status on current salary.<sup>228</sup> The increase was granted. As reinforcement of the social gulf between factory hands and management, when P&B Launceston built their new cafeteria in 1935, the "white coats" ate behind a screened

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J.B. White, To Secretary, Unemployment Relief Fund Committee, 2/10/1930: Launceston Council, 20/3.7.

<sup>221</sup> Minutes of Unemployment Committee, 10/7/1930 & 24/7/1930: Launceston Council, 20/3.7.

<sup>222</sup> General conversation with Deanna Edwards, secretary at Coats Patons.

<sup>223</sup> There was both tradition and utility behind this practice, which eventually went into disuse. Interview with P.M. Hart, 1/11/1996.

<sup>224</sup> Source did not wish to be identified.

<sup>225</sup> ARP, To W.T. Procter, 19/3/1924: P&B, Private Correspondence Ex. Alloa.

<sup>226</sup> ARP, To T. Stirling, 9/6/1924: P&B, Private Correspondence Ex. Alloa.

<sup>227</sup> ARP, To W.T. Procter, 11/4/1924: P&B, Private Correspondence Ex. Alloa.

<sup>228</sup> ARP, To T. Stirling, 9/6/1924: P&B, Private Correspondence Ex. Alloa.

off area and were afforded such privileges as linen table-cloths.<sup>229</sup> Not all management was aloof, however; rumour has it that K&K (Tas)'s first general manager, Noel Walsh, made a point of walking around the mill every morning and smiling at all the girls.<sup>230</sup> Likewise, one of K&K (Tas)'s migrant foremen, who arrived in Launceston ahead of his family, had no qualms about mixing with the workers. Revelling in his temporary bachelor status amidst a female dominated work force, this foreman was in no hurry to nominate his wife to join him. In the end she insisted, and soon put an end to his mingling with the mill's female operatives.<sup>231</sup>

It was not just top management who saw themselves as socially superior to other workers. There were obvious distinctions between various management levels, foremen and operatives. Office staff, for example, were considered higher on the social ladder than machines operatives. Labourers were again lower down the scale. When Mrs. Dorothy Rae wrote to Arthur Procter complaining about the treatment of her son David in September 1928, she believed that David was not getting a "fair chance to learn the work".<sup>232</sup> Claiming that she had given her boys a good education and did not want David stranded as a labourer, Mrs. Rae suggested that if any other job was available in the mill where her son would be happier, he would gladly take it. Mrs. Rae was not, however, talking about another labouring position. She added that David was good at chemistry, and the Rector of the Alloa Academy had thought this would assist in his career advancement.<sup>233</sup> As previously noted, another of Mrs. Rae's sons, Elliott, had made rapid advancement within the mill, and her son-in-law, Watson Dawson<sup>234</sup> had previously been a wool buyer and foreman at Launceston. It seems that Mrs. Rae did not view her family as labourer stock.

Despite such social divides, there appears to have been a great sense of community amongst mill workers at both mills. P.M. Hart recalls that the sense of family at K&K (Tas) was "more or less continuous" throughout the life of the mill. This was partly geographic. Before almost universal car ownership, many mill employees lived near the mill, employees children went to school together, and

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<sup>229</sup> General conversation with Deanna Edwards, secretary at Coats Patons.

<sup>230</sup> Interview with P.M. Hart, 1/11/1996.

<sup>231</sup> Source did not wish to be identified.

<sup>232</sup> Dorothy Rae, To ARP, 11/9/1928: P&B, Private Correspondence Ex. Alloa.

<sup>233</sup> ARP, To Dorothy Rae, 19/9/1928: P&B, Private Correspondence Ex. Alloa.

<sup>234</sup> 'State of Tas, Assisted Immigration by Nomination', 19/11/1923: SWD4, M9/412.

subsequently began their working lives together.<sup>235</sup> The family atmosphere was also influenced by multiple generations of the same family working at the mill. Children would follow their parents and even grandparents into the trade. Hart feels that any break down of community that did occur “was very gradual, and not complete”, the mill’s sense of family and community still evident upon K&K’s closure in 1977.

This was also the case at P&B Launceston. In 1968 the Australian board of Coats Patons (as it had become) formulated a policy to present gold watches to employees with 40 years service. At a social function held to make the presentations, 37 employees were presented with a watch. All had therefore begun work with P&B during the 1920s. Two locals, J.L. Waters and L. Bunton, were the only two current employees to have commenced with P&B Launceston in 1923, each serving 46 years. Of the retired personnel, one of the 1923 Scottish migrants, Maggie Boyd, held P&B’s employment record, serving 59 years.<sup>236</sup> Boyd had started work at P&B Alloa, aged 14 years. During the next 16 years she had worked in all departments before emigrating to Launceston as senior forewoman in the mill’s warehouse department, where she remained for the next 43 years.<sup>237</sup> With the proportion of employees serving 40-plus years being higher in Launceston than in any of the firms other branches at the time of the presentation, current mill manager, L. Denham, claimed that “overseas Directors were amazed at the number of ‘old servants’ in the Tasmanian mill”.<sup>238</sup> This record gives, perhaps, the strongest indication of the sense of family, community and company attachment that began in the 1920s and surrounded P&B Launceston throughout most of the century.<sup>239</sup> The sense of loyalty which both firms appear to have engendered from such a large proportion of their work force suggests that K&K

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<sup>235</sup> Interview with P.M. Hart, 1/11/1996.

<sup>236</sup> The 30 men and 7 women receiving long-service awards in 1966 had a total of 1,554 years experience between them.  
P&B Mill History File.

<sup>237</sup> Retiring only a few months before the presentations, aged 73 years, Miss Boyd had “not been looking forward to [retirement]”.

*Examiner*, 30/6/1966, p.1 & 1/7/1966, p.7.

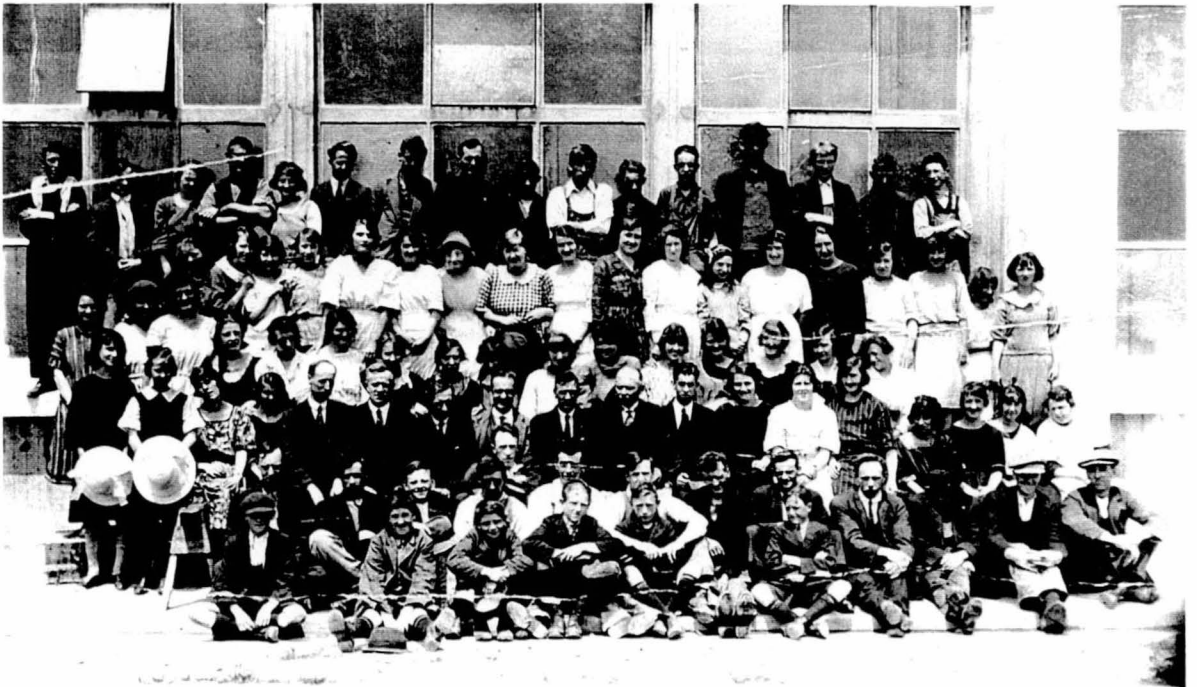
Described as “a model servant of the company”, Miss Boyd was presented with two cheques, an arm-chair, and a coffee table at a function held in honour of her retirement.

<sup>238</sup> Managing Director of P&B Australia wide, C.W. Clift, himself with over 50 years service with the company, told the group “You people are the salt of the earth”.

*Examiner*, 3/12/1968.

<sup>239</sup> Long-service and company loyalty were already well established traits in Launceston’s first woollen mill before either of the British mills under consideration arrived. In 1922 Waverley Woollen Mills claimed that a feature of its mill, currently employing between 80-100 people, was that “all foremen have been in the firm’s employ for over thirty years”.

and P&B successfully achieved the goals to which many of their labour policies were directed. One does not need to be a social revolutionary to believe that the bosses had an easier run than overall they deserved. Workers may or may not have cared for empire, or nation, or locality, but certainly few among them pursued counter-loyalties of Marxist class-consciousness.



25. K&K (Tas)'s work-force assembled soon after production commenced



26. Above - The canteen at P&B Launceston, 1924

27. Below - P&B's social hall, 1924  
(both are in wool store section of mill)







28. P&B Soccer Club, Premier NTBFA 1925

Back row - A.N. Johncock (trainer); R. Bremner; R. Foster; W. McCulloch; L. Scott; H.N. Goldie, J. McArthur, A. Maitland (vice-chairman)

Second row - Wm. Comrie (chairman); C. McArthur; J. Gourlay (captain); J. Redman; A.R. Procter (Hon. President & general manager of the mill)

Front - J. Dixon; A. Stirling; L. Graham; W. Whitworth; W. Currie.

## CHAPTER 8

### FROM THE 1920S: FULFILMENT, CHANGE, AND DECAY

As noted in the final pages of chapter 5, both of our key companies had emerged from the hardships of the 1920s as integral to the Launceston community, and they assisted in changing the city's face. P&B Launceston was particularly significant to the region, employing around 1,200 by 1932. This made P&B the city's largest private employer. Although K&K (Tas) was not on the same scale, the city could boast few other industries its size. Employing around 300 people at the same time, this was more than Launceston's other three mills combined.<sup>1</sup> P&B Ltd's Australian operations underwent some structural changes in the early 1930s. The Melbourne based sales company, P&B (Australasia) Ltd, was liquidated and combined with P&B's Launceston branch to form a single Australian branch.<sup>2</sup> So the two firms established a perceptible place in the nation's social economy. For Australia at large, industrial progress of the 1920s continued and even intensified into the 'thirties. The 1929-30 tariff increases further stimulated manufacturing development by attracting more British and American firms. In August 1937 Prime Minister J.A. Lyons claimed that "Advances made by Australian secondary industries during the past five years had been unparalleled in the industrial history of the Commonwealth".<sup>3</sup>

Although K&K and P&B both consolidated and expanded during this decade, Tasmania's industrial progress generally did not live up to national standards. The only significant new industry attracted during these years was a paper manufacturer established at Burnie on the north west coast, Associated Pulp and Paper Mills Ltd (APPM).<sup>4</sup> For Launceston's other textile companies the 1930s were a period of mixed

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<sup>1</sup> *Examiner* 22/8/1932.

Employment numbers have been estimated from figures cited during a 1932 strike, at which time P&B, K&K and Waverley had a combined work force of 1,600.

<sup>2</sup> *P&B Ltd, Report of Proceedings at the Fifteenth Annual Meeting of Shareholders*, 18/7/1934.

<sup>3</sup> Lyons claimed that more than £14,000,000 in new capital had been invested in industry since 1932. 'Inspiring Progress of Industries', *Argus*, 20/8/1937: Launceston City Council, Industries General (1936-37), 22/1.1.

<sup>4</sup> APPM officially registered its factory on 2 September 1938. Employing 148 people at the start of operations, by the 1960s the mill would employ almost 2,000.

Department of Public Health (Office of Chief Inspector of Factories), Report of the Chief Inspector for year ended 31/12/1938, No. 20, p.3: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1939. Lloyd Robson & Michael Roe, *A Short History of Tasmania* (Oxford, 1997), p.139.

fortune. After a financially unprofitable start in the 1920s, by 1937 Thyne Bros Pty Ltd had expanded operations to include its own spinning plant.<sup>5</sup> They had previously produced knitted goods from P&B's woollen yarn. On the other hand, Reliance Worsted Mills were forced into closure the same year.<sup>6</sup> Reasons for their demise are not clear, but the financial restrictions of private ownership had limited the company's ability to expand and diversify to meet changing conditions from the start. The timing of closure was unfortunate for Reliance as, within two years, all local textile companies would be fully occupied by government contracts associated with the war effort.

While World War I had seen Australia's few textile manufacturers profit greatly, stricter government controls on industry ensured the same did not occur during World War II. For efficient manufacturers, however, the period still had many advantages. Although textile producers nation-wide experienced difficulties acquiring sufficient staff during the war, their industry was deemed an essential service and subject to manpower regulations.<sup>7</sup> K&K ran some of its departments on 24 hour shifts to meet government demand,<sup>8</sup> while P&B Launceston's employees numbered between 1,000 to 2,000.<sup>9</sup> Launceston's woollen mills not only gave locals the opportunity to contribute in some way to the war effort, but also brought the perceived threat of invasion closer to home. As the largest of the local mills, P&B was seen as a possible target in the event of an enemy attack. The mill was therefore manned on weekends in order to sound the alarm in case of an air strike. Trenches were also dug between the mill's back fence and nearby houses. During air raid drills, P&B's employees changed into hooded gear made out of sacks and proceeded to the trenches. One employee recalls that the mill's workers resembled members of the Klu Klux Klan during these

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<sup>5</sup> Thyne Bros. Pty Ltd, To Director, Industrial Development Department, 13/3/1958: Thyne Bros. Pty Ltd Business Records, LMSS 136.

<sup>6</sup> At their 1937 AGM K&K directors regretfully noted the final closure of this mill, by then operating under the name Nettlefolds.

*Notes from K&K Chairman's Speech for Eighteenth AGM, 27/8/1937.*

<sup>7</sup> The industry would experience an exodus of workers once government restrictions were lifted. Some 500 female employees had left P&B Launceston by late November 1945, for example, and numbers continued to decrease.

'P&B, 22/11/1945', typed extract: CP Press Cuttings, 'A-J'.

<sup>8</sup> Interview with P.M. Hart, 24/11/1995.

<sup>9</sup> Numbers employed are contradictory for this period. Morris-Nunn claims the figure was 2,000, while one extract from company files claims that, at its peak during the war, the factory employed 1,200 females. Numbers of men employed were not included. The same extract also claims that pre-war female employee numbers were at 600 plus, although other indicators suggest these figures are too low.

processions.<sup>10</sup> The protection value of the outfits was questionable, and probably served only to make the hundreds of workers wearing them during any one shift all the more visible from above. Withal, such experience was yet another facet of the mills' integration with the Australian zeitgeist.

While the war created opportunities for growth within the textile industry and most local mills worked at optimum production, one prominent Tasmanian had an even grander vision for the future of textile production in the region. In *Australia's Tomorrow*, published in late 1944, Sir Gerald Mussen offered his solution to the effects of Japanese textile competition. Mussen suggested that Japanese competition could be overwhelmed by a co-operative British/Australian re-organisation of the textile industry. Already associated with the establishment of one of Tasmania's most significant industries, APPM, Mussen was a visionary whose achievements gave his views credence.<sup>11</sup> Nevertheless, his outline for creating a textile "wonder city"<sup>12</sup> in northern Tasmania had a utopian element. Australia was chosen for locating his new city because of its proximity to raw materials. Northern Tasmania was specified as the ideal location because of unlimited hydro power and ample water, and presumably because it was closer to the mainland than southern Tasmania. Mussen's idea involved building the world's first planned city devoted primarily to manufacturing wool. It was to be an efficient, production-line place in which the wool arrived at one point, went through its various processes, and as finished product was ready for distribution at the other end of the city. The success of the idea hinged on scale. Mussen envisioned a city catering for 250,000 people, more than the size of Tasmania's entire population.<sup>13</sup> Britain's role in this scheme was to supply 50,000 woollen operatives, plus their families, an influx of workers equal to the population of Hobart. As the experience of Launceston's textile migrants in the 1920s had shown, the introduction of less than 200 British textile workers caused some public discontent. A suggestion to introduce 50,000 British workers would have been viewed as akin to a hostile invasion. Mussen

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Miranda Morris-Nunn & C.B. Tassell, *Launceston's Industrial Heritage: A Survey* (Launceston, 1982), p.191; & 'P&B, 22/11/1945', typed extract: CP Press Cuttings, 'A-J'.

<sup>10</sup> Naomi King, 'Looking Back', 1978: National Trust Files, QVM.

<sup>11</sup> B.E. Kennedy, 'Mussen', *Australian Dictionary of Biography*, vol. 10, pp.653-4.

<sup>12</sup> Sir Gerald Mussen, 'Create a Wonder City', *Australia's Tomorrow* (Melbourne, November 1944), pp.84-87.

<sup>13</sup> There had been no census since 1933 but in 1945 the State's population was officially estimated at 249,559.

W.A. Townsley, *Tasmania: From Colony to Statehood, 1803-1945* (Hobart, 1991), p.456.

was not, however, the only one with grand plans for Australia's woollen industry. At the war's end the Australian Wool Development Company was planning to erect woollen mills in over 30 Australian centres, each mill valued at more than £500,000. Two of these were intended for Tasmania.<sup>14</sup> As ever, Launceston Council was enthusiastic about the venture, and informed the company of the city's textile tradition and predicted little difficulty in supplying the 1,500 operatives necessary.<sup>15</sup> Neither scheme eventuated for Launceston, but the proposals did demonstrate an ongoing confidence in the textile industry's potential.

While the drawbacks of Launceston's focus upon textile manufacture had long been recognised, war-time reconstruction plans offered northern Tasmania its greatest opportunity for industrial diversification. When negotiations to establish an aluminium processing plant in Tasmania became public knowledge in July 1941, Launceston Council was quick to tell the principals concerned of their region's benefits. Dominated by largely female-employing textile mills, the Council pointed out that provision of male labour was no problem.<sup>16</sup> From the Council's perspective the industry offered a solution to Launceston's industrial gender imbalance. Keen to encourage Tasmania's post-war development, Premier Cosgrove was instrumental in advancing Tasmania's claim for this industry.<sup>17</sup> Plans progressed slowly, however, and after more than two years of inquiries and planning the Federal Cabinet decided that the Tasmanian proposal should be entirely Commonwealth owned.<sup>18</sup> Even then the plans met with some resistance.

A public outcry erupted in February 1947 when the *Examiner* published a letter outlining serious side-effects linked with the industry. After receiving information about environmental and health problems associated with an aluminium refinery, Frederick Smithies (a noted Tasmanian bushwalker and man with a keen interest in the

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<sup>14</sup> W.H. Mather, Consultant to the Directors, Australian Wool Development Company, To Mayor, 18/3/1946: Launceston City Council, Industries General (1946-47), 23/1.11.

<sup>15</sup> Town Clerk, To W.H. Mather, 18/4/1946: Launceston City Council, 23/1.11.

<sup>16</sup> At this point the two likely contenders to run this operation were the Electrolytic Zinc Company of Australasia or White Metals Pty Ltd.

Town Clerk, To F. Partridge, c/- General Motors-Holdens Ltd, Port Melbourne, 16/7/1941: Launceston City Council, Industries General (Aluminium Industry) (1941-45), 23/1.10.

Town Clerk, To Hugh Anderson, Melbourne, 17/7/1941: Launceston City Council, 23/1.10.

<sup>17</sup> W.A. Townsley, *Tasmania: From Colony to Statehood, 1803-1945* (Hobart, 1991), p.451.

<sup>18</sup> The project was linked to war-time concerns that aluminium ingots necessary for defence purposes were currently being imported.

'Aluminium Manufacture in Tasmania', 29/9/1943 (press cutting): Launceston City Council, 23/1.10.

State's natural beauty) concluded, "the project [had] nothing to commend it".<sup>19</sup> He also suggested that it was "possible to pay too high a price for any benefits which industrialisation may bring to the city". Public concern about Smithies' revelations was such that Premier Cosgrove personally affirmed that the refinery posed no danger to health or vegetation and that the people of Launceston "need have no apprehension".<sup>20</sup> This was significant as one of the first occasions since the industrialisation push when environmental concerns were used to question the merit of manufacturing industry within northern Tasmania.<sup>21</sup> The Tasmanian government continued slow to acknowledge that it was possible to pay too high a price to attract industry. The refinery eventually opened in 1955 at George Town, a small sea-side village approximately 30 miles from Launceston. Comalco purchased the Commonwealth's interest in this venture in 1960, and the industry went on to employ up to 2,000 people.<sup>22</sup>

As occurred after World War I, the aftermath of World War II saw a backlog in consumer demand which fared well for Launceston's woollen mills.<sup>23</sup> Conditions similar to those encouraging the establishment of K&K and P&B almost three decades earlier also saw another British textile company considering establishment in Launceston. At various stages during the 1920s English cotton mogul, Amos Nelson, had been linked with the possible establishment of a Launceston based cotton mill. In 1949 one of his companies, James Nelson, was again discussing plans to establish in Launceston, but the proposal was now to produce synthetic material. With Launceston's four existing mills devoted to the manufacture of wool, this was a diversification for the city's textile industry. Yet, in contrast to the widespread

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<sup>19</sup> *Examiner*, 'Aluminium Project Questioned', 6/2/1947, p.2.

See Ann G. Smith, 'Smithies', in *ADB*, vol. 11, p.677.

<sup>20</sup> 'No Danger From Aluminium Plant', 19/2/1947 (press cutting): Launceston City Council, Industries General (1946-47), 23/1.11.

<sup>21</sup> Pollution levels had been discussed in relation to the establishment of E.Z. in Hobart.

Lloyd Robson, *A History of Tasmania, Colony and State from 1856 to the 1980s*, vol. II (Melbourne, 1991), p.298.

<sup>22</sup> Robson & Roe, *A Short History of Tasmania*, p.139.

<sup>23</sup> The post-war backlog appears to have been met by the early 1950s, as indicated by declining employment numbers within the industry. For the year ended December 1951, for example, the State's largest decrease in employment numbers occurred in the woollen and spinning industry, which fell by 22% or 474 people.

Department of Labour and Industry, Twelfth Annual Report for year ended 31/12/1951, No. 42, p.4: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1952.

enthusiasm surrounding K&K and P&B's arrival, questions were raised as to whether Launceston really needed this latest venture.

Upon learning that James Nelson proposed erecting a factory to produce rayon, one local resident warned Launceston's mayor of the environmental dangers of synthetic manufacture. Reminiscent of concerns raised about the aluminium refinery, he acknowledged that all Launceston residents were anxious to see their city develop, but pointed out that "it is possible to pay too big a price for such an addition to our industrial progress".<sup>24</sup> Insisting that a full inquiry was needed on "the obnoxious effluent" resulting from this industry, he added "that such manufacturers [had] found it difficult to arrange factory sites, owing to the almost poisonous nature of the effluent". The perception that synthetics directly competed with woollen goods may also have influenced local objections. One of the aims of Mussen's textile wonder-city had been to "provide an effective means of meeting the competition of synthetic fibres".<sup>25</sup> Competition from synthetics was already a concern in the 1920s, but would increasingly impact upon natural fibre markets in the latter half of the century. Although all Launceston's textile mills repeatedly insisted that none were in direct competition with one another,<sup>26</sup> James Nelson's arrival foreshadowed problems confronting woollen manufactures after World War II.

Public concerns were ignored amidst local and State government enthusiasm to attract industry, particularly in light of employment needs of returned soldiers. While environmental issues were being raised (if not yet addressed) when weighing up the costs and benefits of new industry from the 1940s, in the 1920s the argument of cost versus benefit had centred around public money being used to support private ventures. These concerns remained valid after World War II as the State government's financial involvement in private industry appears to have increased. Along with the same type of concessions on water and hydro previously given to the other British textile companies, the State government went even further to attract industries such as James Nelson. In contrast to the post-World War I period, municipal government had a markedly lesser

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<sup>24</sup> The resident pointed out that if the proposed mill planned only to manufacture goods from rayon yarn, few problems existed. If they manufactured their own yarn - which they did - the matter was altogether different.

Private correspondence from 60 St. John Street, To Mayor Henty, 12/8/1949: Launceston City Council, Industries General (1948-49), 23/1.12.

<sup>25</sup> Mussen, *Australia's Tomorrow*, p.8.

<sup>26</sup> For example see Tasmanian Textile Society, *Tasmania: The Textile State*.

role in negotiations to attract industry after World War II. This reflected both an adjustment in the powers of the various government strata, and Launceston Council's loss of control over hydro sales (arguably the most significant factor in the attraction of industry immediately after World War I). In 1948 the Tasmanian government passed its Industries Establishment Act<sup>27</sup> aimed at encouraging industry to settle within the State.<sup>28</sup> The most common incentive adopted saw the government pay for the erection of new factories. These were then leased to companies with an option to purchase after a specified period. By June 1954, 61 such buildings had been made available, and 37 were still owned by the State.<sup>29</sup> James Nelson (Australia) Pty Ltd's factory was constructed under this scheme. Located in Launceston's newest industrial suburb, Mowbray, the factory cost £53,183, was 35,000 sq. ft. in area, and was let at an annual rent of approximately £2,830.<sup>30</sup>

James Nelson's establishment had many similarities with that of K&K and P&B. No locals were experienced in the manufacture of synthetics, so it was necessary for James Nelson to introduce migrant workers from England. The English parent company was based in Nelson, Lancashire, and most of the migrants hailed from that region. As in the aftermath of the World War I, Australia was increasingly concerned about its vulnerability. Nevertheless, at the height of campaigns promoting Australia's need to populate or perish, the experiences of James Nelson's textile migrants echoed many of the concerns and prejudices expressed towards Launceston's industrial

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<sup>27</sup> Industries Establishment Act, 1948, Advisory Committee Report for the period ending 30/6/1949, No. 39, p.1: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1949.

<sup>28</sup> Forms of assistance included acquisition of land, erection of factories and leases with option to buy or renew, grants towards establishment expenses, subsidies, guarantees on overdrafts, and loans on security of real property.

Industries Establishment Act, 1948, Advisory Committee. Report for the period ended 30/6/1950, No. 36, p.1: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1950.

<sup>29</sup> Industrial Development, Report of Director for year ended 30/6/1954, No. 51, p.1: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1954.

The Advisory Committee was appointed under the Industries Establishment Act, 1948, the committee ceasing to exist on 31/3/1951 when the Industries Establishment Act expired. It was replaced by an Industrial Development Board.

Industries Establishment Act 1948, Advisory Committee Report, for the period ended 30/6/1949 & 30/6/1951, No. 39, p.1 & No. 50, p.1: *Tasmania, Journals and Printed Papers of Parliament*, vols. 1949 & 1951.

<sup>30</sup> Industries Establishment Act, 1948, Advisory Committee Report, for the period ended 30/3/1949, No. 39, p.14: Industrial Development Report of Director for year ended 30/6/1953, No. 43, p.3: *Tasmania, Journals and Printed Papers of Parliament*, vols. 1949 & 1953.

By the early 1960s James Nelson had expanded to a floor space of 70,000 sq. ft. and would employ around 134 staff.

'New Machinery', 23/8/63; & 'Factory Gets New Machinery', 1962: CP Press Cuttings, 'K-Z'



migrants three decades earlier. In many ways the ill-feeling toward JN's workers appears to have been more intense than that experienced in the 1920s. Much of the trouble stemmed from local indignation that migrant workers could queue-jump the waiting list for housing. With Tasmania's housing shortfall estimated at approximately 10,000 at the war's end, housing was given first priority from the start of reconstruction in Tasmania.<sup>31</sup> As part of a deal to attract the company, JN's migrants had been given a special deal regarding housing and locals resented that the needs of newcomers were apparently given higher priority than their own. Feeling was such that, when one local builder learned that a house he was constructing was going to a JN migrant, he simply refused to finish the job.<sup>32</sup> (It seems the builder had ideas of moving into this particular residence himself.) In a battle of words through the *Examiner*, one of the industrial migrants responded to criticism by asking whether a major new industry should be expected to fold because its operatives could not find accommodation, or should the workers be expected to pitch tents in the paddock? They received little sympathy. A local respondent asked why the migrants thought it "degrading to live in tents".<sup>33</sup>

Far from believing they had received preferential treatment, JN's migrants felt misled and were shocked at the primitive conditions in which they were initially forced to reside. For the first few weeks after arrival accommodation for many of the migrants was, at best, crude. Some husbands and wives were placed into gender-segregated bunk-houses, and bathroom facilities were little more than a hole in a shed in the back paddock. Accepting immigration propaganda about sunny Tasmania, the migrants had also arrived inadequately prepared for a Launceston winter. Most migrants went shopping for hot water bottles after experiencing their first (gender-segregated) night in the city.<sup>34</sup>

While the attraction of new industries received much public attention immediately after the war, government policy changes were occurring which had implications for the future development of both new and established industry. In 1947

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<sup>31</sup> £1,010,000 had been approved for housing works at the time, £216,000 of this for Launceston. Ministerial Statement of The Minister for Post-War Reconstruction, 1944, Tabled in the House of Assembly on 21/11/1944 by The Hon. Edward Brooker, No. 28, p.5: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1944.

<sup>32</sup> Jim Marwood, *Ways of Working* (Kenthurst, 1986), p.114.

<sup>33</sup> Marwood, *Ways of Working*, p.122.

<sup>34</sup> Marwood, *Ways of Working*, pp.109 & 119.

Tasmania's Director of Labour and Industry, E.J. Ogilvie, contended that we could no longer "live in isolation or ignore external controls of our trading and living standards".<sup>35</sup> This was an obvious modification on the post-World War I push for national self-sufficiency. Despite the general sense of prosperity during the 1950s and 1960s, inflation was also a concern in the early 1950s. In December 1953, Ogilvie's Department told of suggestions "that the most efficient but politically unpopular way to check inflation [was] to decrease certain tariffs and exchange rates drastically".<sup>36</sup> Following World War I tariff protection was seen as serving the nation's greater good. After World War II attitudes were changing. In July 1958 director of the Australian Industries Development Commission concluded that "Economic nationalism [had been] tried and failed".<sup>37</sup> He warned against "reverting to the practices of the inter-war period" in which countries sought "self-sufficiency within their own boundaries". With the textile industry particularly sensitive to outside competition, such attitudinal changes had an apocalyptic tone.

Although both firms were consistently profitably during the 1950s and 1960s, negotiations over renewal of power and water contracts at P&B and K&K during this period demonstrate that these firms were not wholly contented with their lot. In the early 1950s both complained that vast increases in freight costs were reducing competitiveness with mainland manufacturers. P&B also bemoaned that the HEC would not grant them "anything approaching the liberal terms" previously given by the Council.<sup>38</sup> With more issues of significance to industry now in the hands of State authorities, the post-war Labor governments did not appear to cherish Launceston and its industrial development as highly as Launceston's own Council had when the scope of its powers were greater. With existing companies increasingly unable to extract the same concession levels from the State government, proposed increases in Council water charges therefore led to an outcry by both companies. P&B claimed the issue of

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<sup>35</sup> Department of Labour and Industry, Seventh Annual Report for year ended 31/12/1946, No. 28, p.7: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1947.

<sup>36</sup> Ogilvie pointed out that these measures needed to occur in conjunction with effectively controlling bank credit, capital issue, excess profits though banking, and taxation, in order to restrain spending to essential goods.

Department of Labour and Industry, Fourteenth Annual Report for year ended 31/12/1953, No. 24, p.11: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1954.

<sup>37</sup> *Australian Industries Development Association, Director's Report*, No. 78, July 1957: 1974 Newspaper Cuttings, CP.

<sup>38</sup> Gray, P&B Manager, To Town Clerk, 20/2/1950: Launceston City Council, Industries General (1950-51), 23/1.13.

competitiveness had “reached such serious proportions” that investigations had been made about relocating to the mainland. It was claimed the move had cost advantages.<sup>39</sup> K&K suggested that increases in water costs might jeopardise future extensions at their Launceston mill.<sup>40</sup> The Council stood firm. It claimed that concessions were never intended to be permanent and it was unreasonable to expect the Council to continue supplying water below cost.<sup>41</sup> Neither company held good on their threats. P&B did not relocate and K&K did build further extensions. Power and water were, nevertheless, the two main incentives which had attracted the companies to Launceston in the first place. Removal of low cost charges in these areas meant that the city no longer had any great appeal besides the hold of capital investment in the mills themselves. As the future was to tell, when tariffs fell, existing capital investment would not be a strong enough incentive to remain. Although the industry’s turning point did not occur until the 1970s, the level of government protection continued to be of concern to manufacturers throughout these years. The lifting of import restrictions in early 1960, for example, led to the textile industry’s biggest slump in many years. In late 1961 emergency tariffs were required in an attempt to stop the decline.<sup>42</sup>

Government policy was changing during this period, and so too were many aspects of the mills themselves. Both companies saw a number of structural changes during these post-war years. In 1951 P&B’s parent company decided to establish a separate Australian company. Control of all P&B’s Australian operations were subsequently shifted to the newly formed P&B (Australia) Ltd, headquartered in Melbourne.<sup>43</sup> The scope of P&B Launceston’s operations also continued to expand throughout this period and, by 1966, the Launceston mill had over 2,100 employees<sup>44</sup> and reputedly was the largest manufacturing plant of its kind in the Southern hemisphere. From 1 January 1969 P&B’s Australian company changed its name to

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<sup>39</sup> P&B claimed that a site had already been purchased in NSW, admittedly intended foremost for a warehouse extension, but that investigations had shown that even with high building costs the company could still sell their goods cheaper than their mainland competitors if they made the move.

<sup>40</sup> K&K Director, L.D. Overstall, To Town Clerk, 20/2/1950: Launceston City Council, 23/1.13.

<sup>41</sup> Memorandum for Works Committee, 7/3/1950: Launceston City Council, 23/1.13.

<sup>42</sup> ‘Textile Slump Feared from Import Increases’, 20/3/1963: CP Press Cuttings, ‘A-J’.

<sup>43</sup> *Minutes* 4/6/1951, No. 51/2: L. Denham, Book 2.

P&B (Australia) Ltd was registered as a public company in the State of Victoria on 27 April, 1951. As the company’s sales distributor, the Melbourne branch had handled many of the administrative aspects of the Launceston mill since the early 1930s and was the logical base for the new company’s main office.

<sup>44</sup> *Examiner* 5/11/1966, p.3.

Coats Patons (Australia) Ltd after an amalgamation with cotton giant J. & P. Coats.<sup>45</sup> The following year the Australian company merged with Bonds Industries Ltd, to form Bonds Coats Patons (Australia) Ltd, and was now the largest textile operation in the country.<sup>46</sup> By the early 1960s K&K (Tas) was also a leader in its field. Described as “one of Australia’s most successful mills”,<sup>47</sup> K&K (Tas)’s achievements convinced the parent company to purchase the whole of the Launceston mill’s locally owned component.<sup>48</sup> With Australian shareholders offered a deal too good to refuse,<sup>49</sup> K&K (Tas) became a wholly owned subsidiary of K&K Ltd in 1963. Coats Patons’ British parent company then gained controlling interest in K&K (Tas)’s parent company in 1969.<sup>50</sup> K&K (Tas) and Coats Patons Launceston were now ultimately controlled by the same board of directors. Launceston’s other British owned textile company, James Nelson, likewise underwent structural changes during these years. Its parent company was taken over by giant synthetic firm, Courtaulds, in November 1963.<sup>51</sup>

Changes were also notable in the composition of the mills’ work force, particularly at P&B. While the introduction of British workers had caused some concern in the 1920s, by the 1950s and 1960s P&B became a more ethnically diverse work place. European migrants speaking little English found P&B to be one of the few places in Launceston where they could acquire work. By 1961 the mill had 171 new Australians from 17 different countries. Italians were predominant.<sup>52</sup> This transformation appears to have occurred with little local comment, but perhaps reflects more upon a changing perception toward textile work than a revolution in attitudes towards migrants. As noted in chapter 6, migrants were most willingly accepted if they undertook the type of employment that few locals wanted. When much comment was

<sup>45</sup> The Australian company had continued to operate under its original name until this point.

‘Coats Patons (Australia) Limited’, Typed Extract: CP Miscellaneous.

‘Company Structure Being Changed ...’, October 1968: CP Press Cuttings, ‘A-J’.

<sup>46</sup> ‘What Bonds Stands to Gain From Coats Patons Merger’, 19/6/1970: CP Press Cuttings, ‘A-J’; *Examiner* 19/6/1970: CP Press Cuttings, ‘A-J’.

<sup>47</sup> ‘Doctor’s Real, Live Lord’, May 1970: CP Press Cuttings, ‘K-Z’

<sup>48</sup> The parent company gave assurances that K&K (Tas) would retain its locally resident board of directors and continue “as an autonomous company subject only to financial control and broad policy directives from the parent company”.

*Kelsall and Kemp Limited, 1815-1965*, p.27.

<sup>49</sup> In late November 1962 directors agreed to offer £8 Australian per £1 ordinary share and £1. 5s. per £1 cumulative share conditional upon acceptance by 20 December.

*K&K Minutes* 27/11/1962: July 1961-May 1967.

<sup>50</sup> Minutes of Directors’ Meetings, 21/10/1969: RAK Minute Book (June 1965-June 1976).

<sup>51</sup> ‘L’ton Fibre Firm in U.K. Buy-Out Bid’, 14/11/1963; & ‘Giant Bid of Nelson Accepted’, 14/11/1963; CP Press Cuttings, ‘A-J’ & ‘K-Z’.

being made about migrants taking local jobs in the 1920s, unemployment was high and authorities were attempting to direct migrants into jobs which few Australians wanted, particularly as domestics and farm labourers. By the 1950s, almost full employment had been achieved, demand for domestic labour was less significant, and the need for farm labour was on the decline with the increasing application of technology to agriculture.<sup>53</sup> As the economy evolved and technology advanced, new employment opportunities were also created. Unlike their mother's generation in the 1920s, girls of the post-World War II period could and did opt for white-blouse employment. Factory labour's main appeal continued to be ease of employment access to traditionally disadvantaged groups.

There were further shifts among the communities that formed around both mills from the late 1920s. In the 1960s a breakdown of these communities began to occur. Rather than corresponding with the physical decline of the industries - which did not occur until the 1970s - this took place when the textile industry was at its peak as far as employment levels were concerned. In the days of almost universal car ownership, the story for these suburbs was a common one. As distance from one's place of employment became less important when considering housing locations, people began moving out of these industrial suburbs into the more popular residential suburbs.<sup>54</sup> When survival of the industry was under attack the following decade, however, a strong sense of community was still evident.

Tasmania's textile industry was at its peak in the 1960s, employing around 4,000 people or 11.5% of the State's manufacturing work force.<sup>55</sup> The rate of expansion at P&B was such that the mill had almost reached its site's limits by the mid-1960s. When the company decided to extend its operations to include synthetic production, a decision was made to establish a small plant at neighbouring George Town. Employment at George Town centred around its single large industry, aluminium producer Comalco. With Comalco almost exclusively a male domain,

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<sup>52</sup> A.B. Stirling, To A.P. Stirling, 4/5/1961 in 'Some Old Records of Interest from 1923': Held by CP.

<sup>53</sup> A third of the Tasmanian population had been categorised as primary producers in 1937, the figure had fallen to only 11% by 1961.

Lloyd Robson, *A Short History of Tasmania*, (Melbourne, 1985), p.171.

<sup>54</sup> Grade 6D, Glen Dhu Primary School, *A History of Glen Dhu School and Community* (1986), p.18. The students based their conclusions about Glen Dhu's population decline upon school enrolments, which peaked at over 1,000 in the 1950s and began to fall off in the 1960s. Many of their families would also have worked at the mill and therefore had first hand knowledge of the suburb's demise.

<sup>55</sup> Tasmanian Textile Society, *Tasmania: The Textile State*.

residents welcomed any new factory offering employment opportunities for its female population. Ironically, Comalco's establishment had been welcomed for going some way toward rectifying the female dominated labour imbalance in the Launceston region. The community which had built up around this male dominated industry, however, was now experiencing the same problems with its female residents as had Launceston with males three decades earlier. The new P&B plant was initially to employ 40 women and a few men, with numbers to increase later.<sup>56</sup> The 200,000 sq. ft. building and machinery cost \$750,000<sup>57</sup> and production started in July 1967.<sup>58</sup> The new factory supplemented production at the Launceston mill by spinning acrylic yarns for the machine knitting trade.<sup>59</sup> Although the terms of any deals are uncertain, it is likely the company was granted significant concessions or offered financial incentives by the State government for establishing in this out of the way location. A site closer to their existing mill would certainly have been more convenient. Further suggesting there were benefits on offer for establishing in George Town, a couple of clothing manufacturers moved to this town around the same time, and K&K were also planning to shift their mending and darning section into George Town the previous year. Initially to employ 12 women (later rising to 20), K&K's proposal was to handle cloth which was woven in Launceston, transferred to George Town, and then returned. Although temporary arrangements were made for K&K to use an established building<sup>60</sup> and the government pledged to assist the move,<sup>61</sup> K&K's George Town expansion did not eventuate.

Signs of impending difficulties for the textile industry were evident by the late 1960s and early 1970s. The Department of Industrial Development and Trade noted in its 1970-71 Annual Report that the State's industrial growth had been "unfavourably influenced by events and developments which originated outside Tasmania".<sup>62</sup> Marxist economist Karl Polanyi epitomised the helplessness many felt in the early 1970s in the face of an increasingly transnational world economy, claiming that "Nations and

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<sup>56</sup> *Examiner*, 5/11/1966, p.3.

<sup>57</sup> 'New Mill', undated paper cutting: CP Miscellaneous & *Examiner*, 5/11/1966, p.3.

<sup>58</sup> George Town Committee, Works Study Dept., 29/6/1967: George Town Satellite Production, 1965-67.

<sup>59</sup> 'New Mill', undated paper cutting: CP Miscellaneous & *Examiner*, 5/11/1966, p.3.

<sup>60</sup> 'George Town Industry' & 'George Town may get New Industry', *Examiner*, 23/7/1965: CP Press Cuttings, 'K-Z'.

<sup>61</sup> *Examiner*, 24/7/65: CP Press Cuttings.

peoples were mere puppets in a show utterly beyond their control”.<sup>63</sup> Despite earlier acknowledging the impact of outside influences, in 1972-73 the Industrial Department commented that “Tasmania is noted for stability in industrial matters”.<sup>64</sup> Offered as proof was the steady expansion of Tasmania’s textile industry during that financial year.

Past industrial stability meant little as subsequent events unfolded. Eric Hobsbawm, defines 1973 as the end of what he terms “the Golden Age” (its start in 1946).<sup>65</sup> According to Hobsbawm the international oil crisis,<sup>66</sup> triggering inflation and unemployment, marked a clear divide between the period of post-war prosperity and the troubled times which followed. The beginning of the Australian textile industry’s decline supports Hobsbawm’s contention and can be more specifically pin-pointed as June 1973 when the new federal Labor government announced that tariffs on textile products would be slashed by 25%. For synthetic manufacturers readjustment had already begun, with, on average, a 10% reduction in tariff protection implemented by December 1971.<sup>67</sup> Tariff cuts were not the only factors influencing the textile industry’s downturn. As part of attempts to “dampen down inflation”, the government had also undertaken two unilateral revaluations of the Australian dollar (in December 1972 and September 1973), and decided not to devalue in line with the USA dollar in February 1973. It further introduced preferential trading arrangements for developing countries in the Australian market in July 1973, implemented an agreement to accord minimum margins of preference to New Zealand in August 1973, and eased quotas on some garment imports. Occurring within a short space of time, these measures “dealt a severe blow to the Australian textile industry”.<sup>68</sup> The introduction of equal wages for women was significant to an industry reliant upon a predominantly female work force.

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<sup>62</sup> Industrial Development and Trade, Report of the Director for 1970-71, No. 54, p.5: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1971.

<sup>63</sup> Karl Polanyi, *The Great Transformation: The Political and Economic Origins of Our Time* (Boston, 1971), p.217.

<sup>64</sup> Industrial Development and Trade, Report of the Director for 1972-73, No. 54, p.3: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1973.

<sup>65</sup> Eric Hobsbawm, *Age of Extremes: The Short Twentieth Century* (London, 1994) pp.8 & 244.

<sup>66</sup> While the effect of the oil crisis would impact upon the world economy and therefore upon the industries in question the immediate impact of this event was beneficial to manufacturers of natural textile fibres. It increased the cost of synthetics which are produced from oil. Expanding in early 1974, K&K noted that the oil crisis meant full orders for them.

‘Launceston Plant Expands’, 16/1/1974: CP Press Cuttings, ‘K-Z’.

<sup>67</sup> ‘Falling Textile Tariffs’, by Tony Maiden, 7/12/1971: CP Press Cuttings, ‘A-J’.

<sup>68</sup> ‘Uncertain Future for Textile Industry’ (undated paper cuttings): QVM, Box MS5, 1977:79:28.

The impact of the tariff cuts was not immediate. One 1974 *Financial Review* editorial noted: "The much heralded slump in the textile industry, forecast last year after the Federal Government cut tariffs all around, has yet to show up in major textile company profits".<sup>69</sup> Nevertheless the slump was not far away. Between May and August 1974 there was a reduction of 770 textile workers in the Launceston district.<sup>70</sup> By 1975 the State government noted that the Tasmanian firms most adversely affected by Australia's deepening recession were Launceston's textile producers<sup>71</sup> and, in the two and a half years ended November 1976, employment in the State's textile industry had halved.<sup>72</sup> Nationally employment in the textile industry fell by 38,000 in the three years until March 1977.<sup>73</sup> None of Launceston's textile manufacturers escaped substantial cuts.

The *Examiner* raised the human element of government policy changes and was scathing as to how Labor had handled the tariff cuts. In the aftermath of E.G. Whitlam's late-1975 defeat, the paper insisted that while:

sound academic arguments were found for its decisions, ... Labour made the politically indefensible mistake of not preparing for the results. Thousands of textile workers were thrown out of jobs and the rather startled amateurs posing as Ministers went around muttering 'What do we do now?'.<sup>74</sup>

Launceston resident and Tasmania's only Liberal Cabinet Minister, Kevin Newman, was reminded that "the Labor Government's mauling of the textile industry" was the main reason he had won a 1975 by-election in the Bass electorate. While the *Examiner* was optimistic that Newman would "work energetically within Federal Parliament" on the issue of job losses within the textile industry, Newman appeared to miss the point being made. The following day he commented that "labour intensive industries such as textile, were gradually pricing themselves out of the market".<sup>75</sup> The State Secretary of the Textile Workers' Union, Derek Holden, responded that: "Employees in manufacturing and labour intensive industries [would take] little comfort from Mr.

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<sup>69</sup> 'Bonds Coats Patons ... Where is the Tariff Reduced Recession?', *Financial Review*, CP Press Cuttings, 'A-J'.

<sup>70</sup> This included Launceston and George Town (George Town was the base for CP's satellite factory). 'Mill on Holiday to Avoid Layoffs', 28/8/1974; CP Press Cuttings, 'K-Z'.

<sup>71</sup> Industrial Development and Trade, Report of the Director for 1974-75, No. 76, p.4: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1975.

<sup>72</sup> *Mercury*, 10 & 11/11/1976.

<sup>73</sup> *Examiner*, 25/3/1977.

<sup>74</sup> *Examiner*, 10/9/1976.

<sup>75</sup> *Examiner*, 11/9/1976.



Newman's remarks".<sup>76</sup> Holden was incredulous that someone receiving well over \$25,000 a year could make this claim to his workers. Some Coats Patons employees received as little as \$123.30 a week.

Coats Patons' George Town factory was the first casualty of the downturn, closing in 1976.<sup>77</sup> More significant was the winding down of K&K (Tas) which also began that year. Here indeed, did the irony of history play. The arrival of K&K and P&B in Launceston had been the embryonic stage of expanding into the multinational giant their mutual parent company would become. In 1963, even before taking over K&K Ltd, J.P. Coats, Patons & Baldwins Ltd employed over 70,000 people in 26 countries.<sup>78</sup> While little thought was given to consequences of foreign ownership in the 1920s, events in K&K (Tas)'s final years brought home the disadvantages for Tasmania of remote, profit driven multinationals. Since K&K Ltd gained full control of a profitable K&K (Tas) in 1960, locals maintained that inadequate money was reinvested in the firm to ensure its continuing viability. This trend reputedly continued after K&K was taken over by Coats Patons. When Australia's high cost structure and small domestic market were combined with changing world conditions, it made better financial sense for a multinational company to let such plants as K&K (Tas) run down and die a natural death, than to invest further money which could provide greater returns elsewhere.

K&K (Tas) had been experiencing difficulties even before the 1973 tariff cuts were implemented and would not again pay a dividend after 1970.<sup>79</sup> By November 1974, their position was so acute that K&K was one of only six Australian textile companies offered interim government assistance (under strict conditions).<sup>80</sup> K&K's work force had dropped from 406 to 250 in the six months prior to that date.<sup>81</sup> By early June 1976, a major restructuring of K&K (Tas) was announced which signalled the beginning of the end for the firm. All the company's assets and liabilities, excluding land and buildings, were to be sold to Coats Patons (Australia) Ltd, and K&K was to trade as a division of that company. K&K (Tas)'s name was also changed to Doctor

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<sup>76</sup> *Examiner*, 13/9/1976.

<sup>77</sup> Sixteen staff were retrenched due to the closure, and the government was making efforts to find an alternative industry to fill Coats Patons' empty premises at George Town in September 1976. *Mercury*, 8/9/1976 & *Examiner*, 9/9/1976.

<sup>78</sup> 'To Start Soon', 16/10/1963: CP Press Cuttings, 'A-J'.

<sup>79</sup> *Examiner*, 25/3/1977.

<sup>80</sup> 'Six Clothing Firms Will Get \$1M Help', undated: CP Newspaper Cuttings, 1974/76.

Textile Mills Ltd as of 21 June 1976. "Doctor" was the company trademark. That company was then to be placed in liquidation, to be effected by 1 January 1977. Remaining assets were to be distributed amongst shareholders. Company secretary, John Watson (later Senator) was appointed liquidator.<sup>82</sup>

Events in the last six months of K&K (Tas)'s operations, did most to suggest that the parent company had no intention of saving this firm. After the impending closure was publicly announced, textile journal *Ragtrade* questioned the company's explanation that imports and high cost were responsible for the closure. By the time the closure was announced, K&K was "firmly back in a healthy trading position after a hard struggle over the past few years".<sup>83</sup> *Ragtrade* therefore asked why "the parent organisation has closed the plant at this particular point". It was particularly interested in a deal between Bonds Coats Patons and South Australian textile manufacturer, Onkaparinga. The agreement gave Onkaparinga the option to purchase K&K (Tas)'s machinery on the basis that none of this machinery be used in competition with Onkaparinga in Tasmania.<sup>84</sup> *Ragtrade* also questioned why the financially troubled Onkaparinga was better able to produce the mill's products more profitably than K&K.<sup>85</sup> Thyne Bros. and Waverley Woollen Mills had formed a local consortium in late March 1977 in an attempt to keep K&K operating, but their efforts failed because of Bonds Coats Patons' agreement with Onkaparinga. Coats Patons had also refused a "most generous offer" of government assistance to encourage them to reconsider their decision.<sup>86</sup> Any rescue bid soon became impractical, as K&K's remaining staff took other jobs as they arose and left the mill with too few employees to operate effectively.<sup>87</sup> *Ragtrade* concluded that "All appeals to the company's responsibility to the people of Tasmania to keep the mill going [had] failed". Federal Minister, Kevin Newman promised to draw the attention of the Corporate Affairs Commission's to the deal between Bonds Coats Patons and Onkaparinga with a view to investigating possible breaches of the Trade Practices Act.<sup>88</sup> Nevertheless, K&K (Tas) closed its

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<sup>81</sup> *Examiner*,

<sup>82</sup> *Minutes* 2/6/1976: RAK Minute Book, June 1965 - June 1976.

<sup>83</sup> 'Good Bye K&K', *Ragtrade*, No. 112, April 15.30, 1977: QVM, Box MS5, 1977/79/28.

<sup>84</sup> *Examiner*, 2/4/1977.

<sup>85</sup> Onkaparinga had recently reported a substantial loss.

<sup>86</sup> 'Good Bye K&K', *Ragtrade*, No. 112, April 15.30, 1977: QVM, Box MS5, 1977/79/28.

<sup>87</sup> *Mercury*, 29/3/1977, p.3.

<sup>88</sup> Newman was described as being at the forefront of the battle to stop K&K's closure.

'Good Bye K&K', *Ragtrade*, No. 112, April 15.30, 1977: QVM, Box MS5, 1977/79/28.

doors on 30 June 1977. The closure saw 238 people lose their jobs (although many of these had left before the final date), and \$2,000,000 in annual wages, plus another \$1,000,000 in indirect wages and services, lost to northern Tasmania. Upon K&K's closure the State government could only comment that the textile industry's future was uncertain and depended largely upon long-term policies on freight and tariffs.<sup>89</sup> Little certainty lay ahead.

An event marking K&K's demise demonstrated Launceston's affiliation with the mill. When K&K (Tas)'s closure was first announced local headlines read "Millhands Weep" and told how a "feeling of utter despair" had gripped K&K staff.<sup>90</sup> Once the inevitability of the event was accepted, employees celebrated their connection with K&K (Tas). In May 1977 nearly 1,000 past and present employees and their partners jammed into the Albert Hall for a "whopping wake".<sup>91</sup> Leaving little doubt who was culpable, the *Examiner* noted that, after 56 years in Launceston, K&K was being "closed by the multi-national parent company".<sup>92</sup> The mill subsequently provided premises for a number of small business ventures and also housed the Launceston chapter of "the Outlaws" motor bike club. Suffering from the effects of weathering and neglect, the mill was demolished in 1996 to make way for warehouse facilities.<sup>93</sup>

P&B's George Town satellite factory and K&K (Tas) were the only textile manufacturers in the Launceston region to close in the 1970s. Tariff protection, vital to the survival of Australia's textile industry, no longer had the same sanctity as when the establishment of this industry was seen as a matter of national pride and self-determination. The tariff debate throughout the 1970s, 1980s and 1990s would be dominated by federal government rhetoric about level playing fields, even though regions with low labour costs had significant advantages and very few countries adhered to Australia's self-imposed standards. Then came a backlash of sorts. With manufacturing industry nation-wide on the decline, rhetoric echoing that of the post World War I period re-emerged. In 1979, Bonds Coats Patons Ltd Chairman, W.R. Slade, discussed government consideration of further tariff reductions:

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<sup>89</sup> The Tasmanian Economy, No. 42, p.17: *Tasmania, Journals and Printed Papers of Parliament*, vol. 1977.

<sup>90</sup> *Examiner*, 25/3/1977.

<sup>91</sup> *Examiner*, 14/5/1977.

<sup>92</sup> *Examiner*, 14/5/1977.

<sup>93</sup> *Examiner*, 11/7/1996.

The Government strongly promotes the need for maximum local processing of our raw materials. Australians quite rightly do not want their country to become just a quarry. But this principal holds good for more than minerals. Australian textile producers are major processors of the raw materials supplied by our great rural industries.<sup>94</sup>

While the general concept of industry's importance to nationhood remained, by the late 1970s it seemed that woollen manufacturing had lost its place as the icon for industrialisation. Textile manufacturers now had to try and convince the government of their industry's national significance.

The 1970s ended with Launceston's textile industry operating on a greatly reduced scale. The decline continued into the 1980s and 1990s. Tasmania's oldest privately owned woollen manufacturer, Waverley Woollen Mills, had operated continually since 1874 and been under the control of the Hogarth family since the 1890s. The mill's long heritage offered no immunity from current hardships. However, the reasons for Waverley Woollen Mills' decline differ somewhat from those affecting Launceston's other textile mills. Bob Hogarth maintains that the tariff cuts "had little or no effect on the blanket industry ... imported blankets were not the problem".<sup>95</sup> In his view declining demand for their product in the 1970s was the result of a long period of extremely mild winters, rapid acceptance of continental quilts, and more efficient home heating. By 1979-80 the company had made a number of small trading losses and its non-working shareholders "became restive".<sup>96</sup> A decision was therefore made to place the mill on the market. After negotiations with a potential Italian company fell through, staff were advised that the mill was winding down for closure.<sup>97</sup> Waverley was, however, granted a reprieve. One of the deals under way during the mill's last days came to fruition and the mill was purchased by Melbourne family, the Temples. Again hitting difficulties in the early 1990s, Waverley was \$2.6 million in debt and forced to close when a buyer could not be found.<sup>98</sup> Waverley was once again rescued by a Melbourne buyer, John Fahey, who purchased the mill and reopened it soon after.<sup>99</sup>

Survival within Australia's textile industry had long hinged upon ability to diversify and change direction as circumstances changed. This ability was just as

<sup>94</sup> *Bonds Coats Patons Ltd Annual Report 1979*, Chairman's Statement (by W. Russell Slade), p.3.

<sup>95</sup> Talk to Industrial Heritage Group by Bob Hogarth, 11/6/1996; *Examiner*, 3/8/1977.

<sup>96</sup> Talk to Industrial Heritage Group by Bob Hogarth, 11/6/1996.

<sup>97</sup> *Examiner*, 5/5/1981.

<sup>98</sup> *Examiner*, 1/6/1990.

<sup>99</sup> *Examiner*, 3/8/1991.

important, if not more so, in the post-tariff cut environment. Waverley epitomised this ability to change. Waverley Woollen Mills, for example, had been one of Australia's pioneers in electric blanket manufacture, commencing production in 1961.<sup>100</sup> In the 1980s they attempted to link into an increasing Australian interest in its Scottish heritage by expanding into tartan production. The mill also took advantage of its own heritage to capture part of the tourist trade. Guided tours of the mill provided since the 1980s<sup>101</sup> were complimented by a coffee shop and a store which sold the mill's merchandise on site. Waverley attracted further tourists to their out of the way location by housing an automobile museum. The only one of these side-lines continuing to operate today is the merchandise shop. The mill employed a total of 65 workers in February 1998.<sup>102</sup>

Soon after Waverley's crisis in the early 1980s, closure of synthetic manufacturer, James Nelson, also appeared inevitable. The mill was one day away from its determined closing date when a deal was struck between a number of its staff and Omnitex. The deal was contingent upon four of JN's employees in key positions also investing in the venture.<sup>103</sup> This involved going into substantial personal debt to invest in a company whose future was uncertain. The decision of the employees involved to do just that not only ensured their services were retained and they were wholly committed to the venture's success, but their actions engendered loyalty from the wider work force. James Nelson again hit the headlines in the mid-1990s after developing a new material, demand for which outweighed their production capacity. By mid-1997, however, uncertainty over tariff policy again raised questions about their future survival. In February 1998 the company employed 78 workers.<sup>104</sup>

The last of the privately owned mills to be established in the 1920s, Thyne Bros. Pty Ltd, also underwent a number of changes in the post 1970s period. A prosperous post-war period had seen Thyne Bros. become Australia's largest manufacturer of lambs' wool garments by the 1960s.<sup>105</sup> Nevertheless, by August 1974

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<sup>100</sup> Part of the need for constant innovation can be seen in this example. Within two years of the mill commencing production of this line there was said to be 20 other producers doing likewise, and after a further two years the product had become uneconomical.

Talk to Industrial Heritage Group by Bob Hogarth, 11/6/1996.

<sup>101</sup> *Examiner*, 3/12/1981.

<sup>102</sup> Employment figures compliments of Waverley Woollen Mills, 3/2/1998.

<sup>103</sup> Jim Marwood, *Ways of Working*, p.131.

<sup>104</sup> Employment figures compliments of Waverley Woollen Mills, 3/2/1998.

<sup>105</sup> International imports would, however, soon bring an end to this claim to fame.

the mill's production had fallen to 10% of its capacity.<sup>106</sup> Between December 1973 and March 1977 numbers employed at Thyne's fell from 101 to only 9.<sup>107</sup> Due to this down-turn in business the company decided to sell the inner-city premises it had occupied since the 1920s and lease factory space.<sup>108</sup> Operations began from a vacant section at Waverley Woollen Mills in August 1977.<sup>109</sup> The down-turn meant that Waverley likewise had space available. A subsequent change in ownership at Waverley saw Thyne Bros. move to their present site in South Launceston in 1981.<sup>110</sup> The following year the firm changed its name to Tamar Knitting Mills,<sup>111</sup> after the registered brand-name used since commencing operations, Tamar Knitwear. Like Waverley, it opened a shop near the mill to sell merchandise, and visitor sales provided about 40% of company revenue in May 1996. The founding family, the Thynes, sold their remaining interest in the firm to interstate buyers in May 1996.<sup>112</sup> In February 1998 Tamar Knitting Mills employed 26 people.<sup>113</sup>

As the largest textile employer in Launceston, and indeed the State, Coats Patons hardest felt the effects of the 1973 tariff cuts. Between 1972 and 1982 employee numbers at Coats Patons' Launceston mill fell from 1520 to 585.<sup>114</sup> Although operating on a greatly reduced scale by the end of the 1970s, Coats Patons weathered much of the 1980s. Late in that decade, however, conditions again took a down-turn. One of Coats Patons' main problems was an on-going decline in the popularity of hand-knitting. In addition, imported ready-made synthetic jumpers were now cheap and available. When Peter Dickson took over as general manager in the early 1990s, substantial staff reductions were necessary in an attempt to produce anywhere near the target figures set by the parent company. As managerial salaries constituted the greatest cost, this group was targeted. The retrenchment of many of the mill's most experienced workers brought its own problems and also increased employee dissatisfaction. Many of the workers involved felt a great sense of loyalty

'A Darn Good Yarn', *Examiner*, 25/10/1982.

<sup>106</sup> *Examiner*, 29/8/1974: CP Newspaper Cuttings, 1974/76.

<sup>107</sup> *Examiner*, 15/4/1982.

<sup>108</sup> *Examiner*, 29/8/1974: CP Newspaper Cuttings, 1974/76.

<sup>109</sup> *Examiner*, 16/8/1977.

<sup>110</sup> *Examiner* 12/2/1991, p.21.

Another reference claims that the move was made in 1983 (see *Examiner*, 24/5/1996)

<sup>111</sup> *Examiner*, 11/5/1992.

<sup>112</sup> *Examiner*, 25/11/1996.

<sup>113</sup> *Examiner*, 24/5/1996, p.15.

<sup>114</sup> *Examiner*, 15/4/1982, p.7.

toward the mill, a loyalty which had little reciprocity. Such values no longer had any place in the world of big business. Short-term, Launceston benefited from this value-set. In 1991 the parent company decided to close its Sydney and Melbourne plants and centralise in Launceston, consequently creating 110 new jobs. Decision makers pointed out that economics, not sentiment, were at work. The deciding factor had been that the Launceston mill was owned outright, whereas the Sydney and Melbourne operations were “leased properties on expensive capital land”.<sup>115</sup> People and communities mattered little in such reasoning.

Early 1996 saw the appointment of the mill’s first general manager not permanently based in Launceston since William Stewart briefly held the position during the mill’s construction in 1922-23. This decision signified the parent company’s lack of commitment to the long-term viability of the Launceston mill. Although the possibility of closure was not unexpected, the May 1997 announcement offering three months notice still shocked its 175 employees.<sup>116</sup> The parent company had decided to move its Launceston operations to New Zealand after amalgamating with the New Zealand company, Alliance Textile Ltd. New Zealand had been an important part of the parent company’s business since the 1920s but, more significantly, had a cheaper labour cost structure than Australia. Strike action followed the announcement of the redundancy package. Its terms seemed to prove the company’s lack of interest in its employees’ welfare. Soon after P&B first opened, the *Examiner* commented that, “It was difficult to see how it could possibly fail”.<sup>117</sup> After 74 years of operation Coats Patons’ Launceston mill closed its doors on 31 July 1997. In late December the factory was acquired by Southern Wool Tasmania, a consortium of 15 Tasmanian woolgrowers and Victorian investors who planned to produce wool tops for the export market. In February 1998 the multinational Anglo-American Standard Wool Corporation became an equity partner in this \$8,000,000 venture, which is expected to begin operations around May 1998 and employ 34 people.<sup>118</sup>

While a sense of vulnerability encouraged industrialisation after the World War I, the decline of tariff protected industries since the 1970s brought that theme again to the fore. A 1989 employment summit pointed out that such vulnerability was a

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<sup>115</sup> *Examiner*, 21/10/1991, p.8.

<sup>116</sup> See *Examiner*, *Mercury*, & *Advocate*, 6/5/1997.

<sup>117</sup> *Examiner*, 26/1/1924, p.5.

<sup>118</sup> *Mercury*, 31/12/1997, p.11 & *Sunday Tasmanian*, 22/2/1998.

consistent theme in Tasmania.<sup>119</sup> Tasmania, and Australia generally, had long been keen to attract any investment capital, but the summit recognised that Tasmania had suffered further because ownership and/or control of so many of the State's industries lay outside Tasmania.<sup>120</sup> The experience of K&K and P&B reinforces this point, yet all the while Tasmania appears unable to alter its reliance upon capital from outside the State. Focus and blame for the State's woes have therefore been directed toward other aspects of Tasmania's economy. In the early 1980s economic analysts concluded that Tasmania's long adherence to hydro-industrialisation - significant in attracting the two companies under consideration - was now a discredited strategy and that a major restructuring of the economy was inescapable.<sup>121</sup> Economic rationalism added its accent to criticism of erstwhile policy. John Madden, from the University of Tasmania's Centre of Regional Economic Analysis, maintained Tasmania's interests had been best served by the tariff cuts to clothing, footwear, textiles and motor vehicles.<sup>122</sup> Madden added that "clothing, textiles and footwear, although important to a degree in Launceston and along the coast are not so important as those industries that would gain". Such reasoning seemed to allot the north more than its fair share of sacrifice for the supposed greater good. (Although Madden claimed that even northern Tasmania benefited from the tariff cuts).

One benefit Launceston did gain from industry decline was development of educational facilities. The fall-out from the tariff cuts saw some political incumbents in industrially dominated electorates ousted and governments going into damage control. This was certainly the case in Launceston, core of the Bass electorate, which in mid-1975 foreshadowed the nation's repudiation of Whitlam's Labor. When discussing the problems of industry in September 1976, federal member for Bass, Kevin Newman, claimed there was "an urgent need to change the base of employment" in

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<sup>119</sup> *Employment Summit, Information Paper No. 3, Key Features of the Tasmanian Economy*, Tasmanian Employment Summit, 28-29 Nov. 1989, Parliament House, Hobart.

Economic vulnerability was also seen to be increased by the extent of linkages between agricultural and manufacturing industries.

*Tasmania's Economic Challenge* (State of Tasmania), July 1988.

<sup>120</sup> In 1989 the 10 largest private sector employers in Tasmania were all either mainland or overseas owned or controlled companies. Until the 1970s P&B would have ranked in this list, but by the 1980s was no longer large enough to be included.

<sup>121</sup> R. Taplin & P. Tighe, *The Implications of Uneven Australian Resource Development for Tasmania*, University of Tasmania, Environmental Studies Occasional Paper, 14, 1989.

<sup>122</sup> *Tasmania: Economic Status*, Proceedings of a Forum Conducted by the Economic Society of Australia and New Zealand, University of Tasmania, 19/2/1982.



Launceston.<sup>123</sup> He pointed out that the establishment of the Maritime College and proposed Tasmanian Institute of Advance Education would assist in this change. Blue-collar employment had dominated the region since the 1920s, but was now on the decline. A change of public attitudes to education was therefore necessary in a State where higher school retention rates were traditionally poor. All major developments occurred post-1973. These included the restructuring of the Hobart-based Tasmanian College of Advanced Education, its core moving to Launceston in 1979 to join the existing teacher's college. Expanded, it was renamed the Tasmanian State Institute of Technology in 1985, and amalgamated with the University in 1991.<sup>124</sup> Perhaps the most blatant government attempt to appease Launceston voters through improved educational facilities was the establishment of the Commonwealth funded Australian Maritime College. The selection of Launceston as the site for this new institution was announced on 10 June 1975 in the middle of the campaign for a particularly important by-election in the Bass electorate, and followed close on the heels of major job losses in the textile industry. As Launceston's own maritime facilities offered little competition with other centres, the decision appeared to be based wholly on political rather than rational grounds.<sup>125</sup>

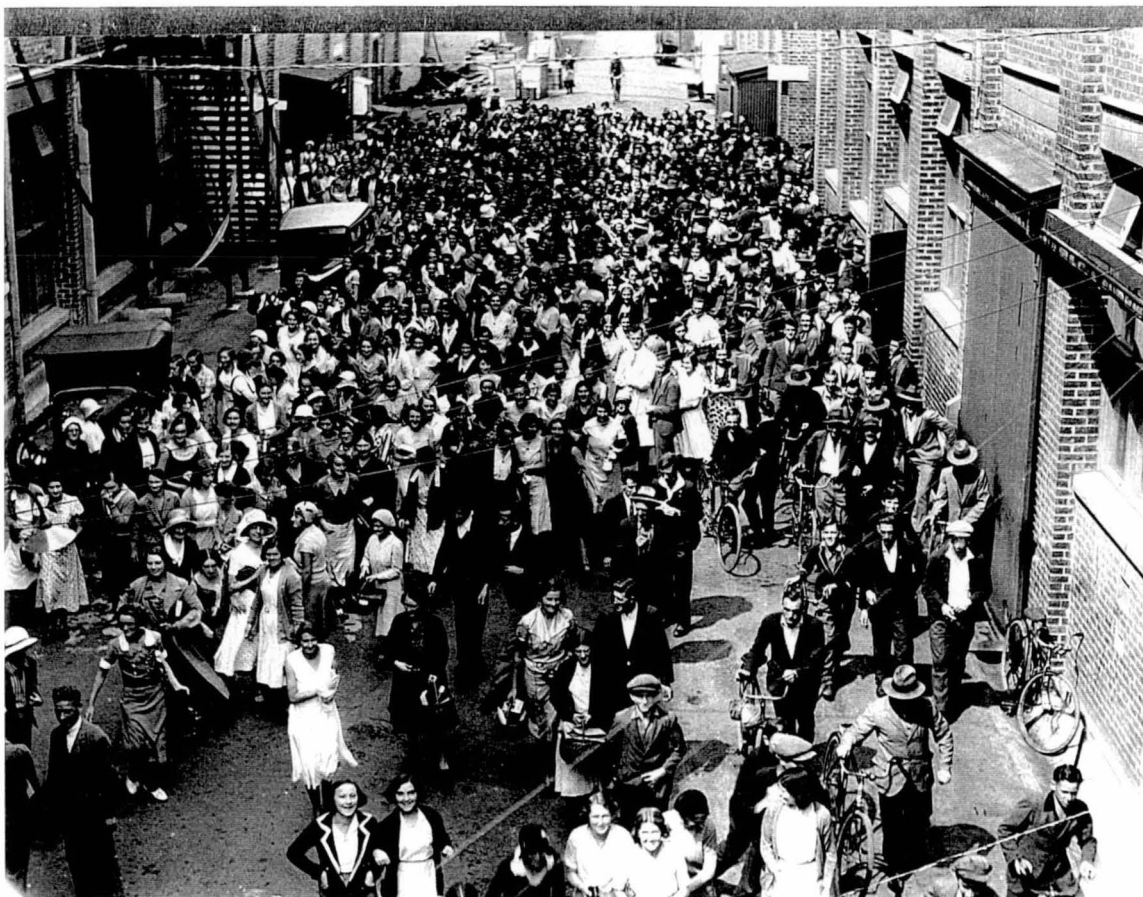
Launceston's transition to a city which now places greater emphasis upon its educational facilities than was the case during its industrial zenith has arguably been a successful one. Students in that city and its region might now stay at school longer and move on to tertiary work. Yet the decline of the State's largest industries and subsequent failure to replace them with alternate job opportunities means that employment prospects are dim even, indeed especially, for these people. One of the reasons Tasmania sought industries such as K&K and P&B after World War I was to stop its youth leaving the State. A constant lament about Tasmania's brain drain suggests that, in this regard, industrial alternatives have proven unsuccessful.

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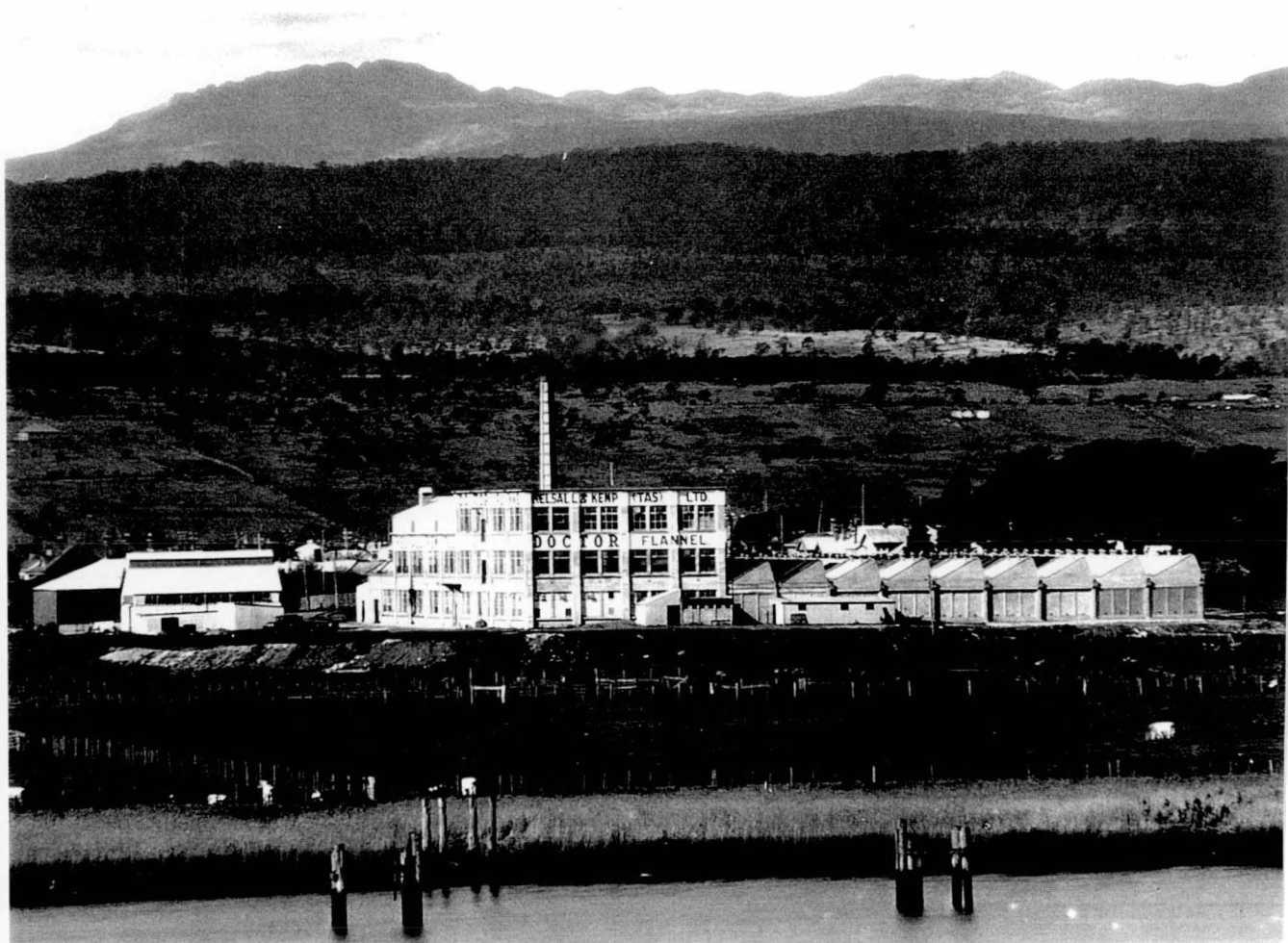
<sup>123</sup> *Examiner*, 11/9/1976.

<sup>124</sup> Robson and Roe, *A Short History of Tasmania*, p.178.

<sup>125</sup> See Alison Alexander (assisted by a committee of Barrie Lewarn et al), *The History of the Australian Maritime College* (Newnham, 1994), p.10.

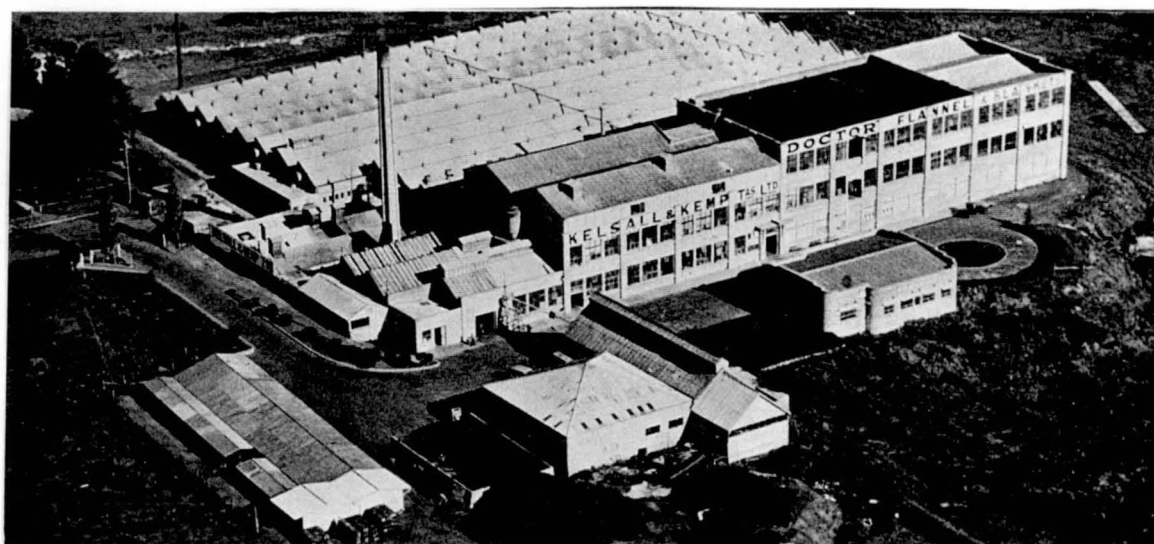


29. The vibrancy of P&B can be seen at the end of a shift in the 1940s.



30. Above - K&K (Tas) in the early 1930s. (Note the increase in size compared with illustration No. 9.)

31. Below - Further growth at K&K by the late 1940s included a new office block and filtration plant.

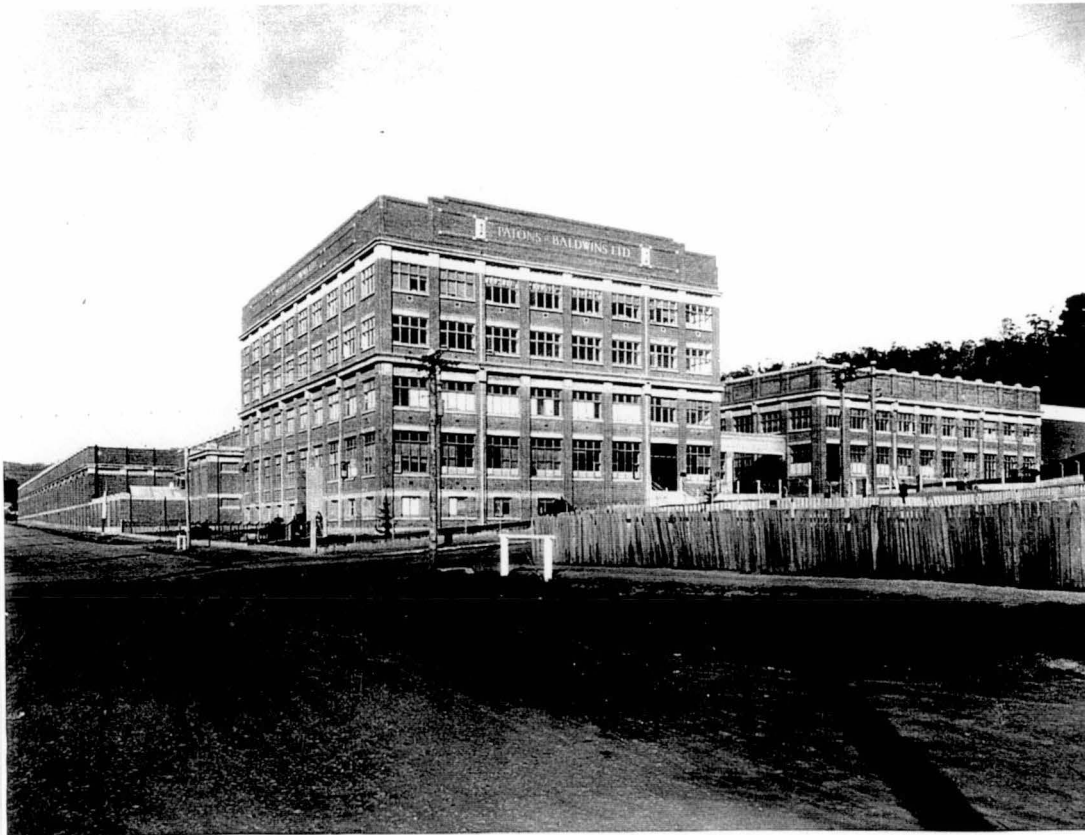




32. Above - Aerial view of K&K (Tas) in the mid-1960s.

33. Below - The mill during demolition in 1996.





34. Above - P&B Launceston from Glen Dhu Street, circa 1930. Note the extra two stories on the warehouse block.

35. Below - Aerial view of P&B in 1947. Includes canteen building and bike sheds.







36. Above - Circa 1956. As well as the first southern extension to the mill, development of the surrounding district is also apparent.

37. Below - Aerial view of P&B in 1960, includes second southern extension, new carding and combing section and mechanics' workshop.





38. Above - P&B Launceston, circa 1963. Continuing expansion includes third southern extension and new filtration plant

39. Below - Circa 1966. New additions to the mill include a car park, wool store extension, boiler house and carpenters' shop.





40. A cartoonist's view of the impending closure of Coats Patons (and another Tasmanian business).



## CONCLUSION

Concentrating upon two significant players in Launceston's industrial development - textile producers Kelsall & Kemp (Tas) Ltd and Patons & Baldwins Ltd, Launceston - offers an insight into the processes involved with Australia's first government sanctioned efforts to industrialise. Although focussing primarily upon the establishment period between World War I and the Depression, a brief examination of the subsequent period until the present day highlights Australia's changing self-perception and values as a nation. In a world with increasingly blurred economic borders, rejection of national self-sufficiency was (very obviously, but not only, in the framework of this study) brought home by the mid-1997 closure of Coats Patons. Despite operating on a greatly reduced scale in recent years, Coats Patons had long been a trophy to Launceston's industrial successes. Its closure marked the end to whatever link the city still held with its past as the self-proclaimed "Bradford of the South". Even though Waverley Woollen Mills, Tamar Knitting Mills, and James Nelson Pty Ltd are still operational, Launceston can no longer justifiably claim to be a textile city. It is significant that, apart from the loss of the small privately owned Reliance Worsted Mills in 1937, the only mills in Launceston altogether to disappear were the two under consideration. The implementation of tariff protection was largely responsible for attracting these two British companies after the war. Although both K&K and P&B were larger and had greater financial backing than most of Launceston's other mills, their controlling interests were, in the end, not willing to maintain these operations once tariff protection was significantly reduced. So the imperial connection which in its day served Australian national interests, now faded: Robert Dixon's *Course of Empire* ran dry. From this perspective today's situation would seem to accord with efforts to crystallise Australian nationhood in Republican terms. Might this not be an appropriate further stage in the contribution to the nationalist debate from Launceston, erstwhile site of enthusiastic action against convict transportation and for Federation?

One would like to end on such a note, but many facts scarcely permit. They are symbolised by the draining of intelligence noted in the final words of chapter 8. This phenomenon too indicates a syndrome especially palpable in Tasmania, but of

Australia-wide relevance. The island State still relies heavily upon mining, forestry products, agriculture and a handful of hydro-power intensive industries; most of these major industries have substantially down-sized their work forces in recent years. The nation follows! As the reduction in tariffs continues, many Australian manufacturing industries subsequently decline. While much is heard about the future hopes for sunrise industries, Australia's economic base remains grounded in primary industries, often non-renewable and commonly value added outside the country. Despite the efforts of political leaders and a variety of nationalistic sources to encourage industrial diversification after World War I, 1990s Australia (although, in many ways, a very different place) is perhaps just as enclosed within the metaphoric "sheep-run" now, as when the period under review commenced. Those who in earlier years equated nationhood with industrial sophistication have yet to be proved wrong.

**Appendix A:** The location of Launceston's textile mills (RAC Tasmania map used as base)

## APPENDIX B

### LIST OF SHAREHOLDERS OF KELSALL & KEMP (TAS) LTD AS AT 7 JUNE 1922

NAME	ADDRESS	OCCUPATION	NUMBER OF SHARES HELD:	
			Pref.	Ord.
<b><u>Shares issued fully paid up otherwise than in cash:</u></b>				
Kelsall & Kemp, Ltd	Rochdale, Lancashire	Flannel manufacturers	-	5,000
<b><u>Shares issued subject to payment wholly in cash:</u></b>				
Rochdale, Lord	Rochdale, Lancashire	Flannel manufacturers	-	4,000
Lord, Jesse Howarth	Lancashire	Flannel manufacturers	-	4,000
Roe, Reginald Claude	Lancashire	Flannel manufacturers	-	4,000
Lord, Edmund	Lancashire	Flannel manufacturers	-	3,000
Kelsall & Kemp, Ltd	Lancashire	Flannel manufacturers	-	46,000
Hart, Frank Percy	Launceston	Investor	1,500	1,001
Danvers Walker, C.W.	Launceston	Chartered Secretary	800	801
Danvers Walker, L.	Launceston	-	400	-
Guy, G.A.	Launceston	Accountant	-	1
Shields, H.J.	Launceston	Law Clerk	-	1
Martin, William.	Launceston	Solicitor	-	1
Martin, Charles W.B.	Launceston	Solicitor	-	1
Stackhouse, C.K.	Launceston	Solicitor	-	1
Savigny, John H.	Launceston	Civil Servant	75	50
Ritchie, John Sydney	East Tamar, Tas.	Orchardist	150	100
McKinlay, G.T. &/or Mckinlay, G.C.	Launceston	Draper	300	200
Davenport, John (the late)	Launceston	Draper	300	200
Gillet, Harry	Ross, Tas.	Pastoralist	150	100
Gillet, Mrs. F.M.	Ross, Tas.	Domestic Duties	150	100
Booth, Mrs. M.F.	Wahroomga, NSW.	Woolbuyer	600	400
Grubb, C.B.	Strathroy, Tas.	Farmer & Grazier	300	200
Muirhead, Thomas	Epping, Tas.	Pastoralist	150	100
McKenzie, H.	Launceston	Engineer	300	190
Grubb, Reginald C.	Lemana Junction, Tas.	Pastoralist	60	40
Grubb, Mrs. E.B.	Lemana Junction, Tas.	Wife	240	160
Beanland, Joseph	Sydney, NSW.	Woolbuyer	300	200
Clough, John W.	Sydney, NSW.	Woolbroker	1,200	800
Perrin, Cyrul A.	Launceston	Merchant	600	400
Perrin, Miss Kate	Launceston	-	90	60
Hutchinson, John H.	Launceston	Butcher	90	60
Hutchinson, Hy. R.P.	Launceston	Butcher	60	40
Gray, Betty &/or Bruce, Miss Irene	Launceston	Domestic duties	120	80

Bruce, Miss Irene &/or				
Gray, Betty	Launceston	Domestic duties	330	220
Parkinson, Chas E.	Brisbane, Qld.	Civil Engineer	600	400
Dudfield, Ambrose R.	Melbourne, Vic.	Agent	2,000	2,000
Dudfield, William G.	Melbourne, Vic.	Agent	6,000	4,000
Dowling, C.I.	Evandale, Tas.	Domestic Duties	50	-
Fysh, P.O. & Co. Ltd.	Launceston	Warehousemen	300	200
Cragg, George	Launceston	Managing Director	550	700
Cragg, Miss Nina F.	Launceston	-	90	160
Genders, A. Gilbert	Launceston	Merchant	300	200
Twelvetreets, Mrs. A.S.	Launceston	Widow	600	400
Russell, Joseph H.	Launceston	Investor	120	80
Williams, W.M.	Hobart, Tas.	Gentleman	300	200
Hogarth, Robert	Waverley Mills, L'ton	Woollen	180	120
		Manufacturer		
Down, Mrs. Ethel Ruth	Melbourne, Vic.	Gentlewoman	500	500
Foster, Henry John D.	Epping, Tas.	Pastoralist	150	100
Jones, Sir Henry	Hobart, Tas.	Managing Director	500	-
Jones, Henry & Co Ltd	Hobart, Tas.	Jam Manufacturers	-	500
Lord, Arthur	Sydney, NSW.	Woolbuyer	750	500
Lord, Mrs. May	Sydney, NSW.	Married Woman	750	500
Inglis, Cruikshank &				
Creasey	Launceston	Public Accountants	200	100
Evershed, H.R.	Launceston	Engineer	150	100
Gleadow, Geo D.	Launceston	Bank Manager	90	60
Baird, W.G.	Launceston	Bank Manager	200	-
Ritchie, Miss E.A.	Launceston	-	100	50
Ritchie, Miss Maria T.	Launceston	-	150	100
Rolph, William Robert	Launceston	Newspaper Proprietor	120	80
Rolph, Mrs. Emily	Launceston	Investor	120	80
Rolph, Gordon Burns	Launceston	Newspaper Proprietor	60	40
Rolph, Robert Stewart	Launceston	Investor	60	40
Rolph, Miss Dorice A.	Launceston	Investor	60	40
Rolph, Mavis Emily	Launceston	Investor	60	40
Smith, R. Norman	Launceston	Merchant	60	40
Lee, Herbert William	Launceston	Manager	60	40
Green, Joseph	Launceston	Ironmonger	150	200
Ferrall, Alfred Charles	Launceston	Merchant	200	100
Hordern, Mrs. Frances	Chatswood, NSW.	Married Woman	150	100
Hordern, Miss Edith L.	Chatswood, NSW.	-	150	100
Cranswick, Mrs. Olive	Chatswood, NSW.	-	150	100
Jordon, J.	Sydney, NSW.	Woolbroker	1,200	800
Ball & Welsh Pty Ltd	Melbourne, Vic.	Drapers &	300	200
		Manufacturers		
Swinbourne	Sydney, NSW.	Woolsourers &	600	400
& Stephens Ltd		Fellmongers		
Scott, Alfred Geo	Launceston	Insurance Manager	100	100
Hooper, Geoffrey H.	Sydney, NSW.	Woollen Merchant	900	600
Cox, Trevor	Capertee, NSW.	Grazier	1,000	-
Ludbrooks (Tas)				
Pty Ltd	Launceston	Draper	300	200
Bourke, Thomas	Launceston	Clothier	300	200
Ritchie, David R.	Launceston	Millowner	120	80
Baragwanath, Mrs. P.	Melbourne, Vic.	Married Woman	300	-
Eardley Wilmot, S.	Launceston	Merchant	250	-
Armstrong, Robert W.	Launceston	Clerk	30	20
Armstrong, Alfred J.	Launceston	Clerk	60	40

Armstrong, William J.	Launceston	Clerk	30	20
Cox & Webb Ltd	Launceston	Tailors & Merchants	150	100
Stephens, F.H.	Launceston	Shipping & Insurance Agent	60	40
Perrin, R.A.	Launceston	Draper	-	200
Beck, James	Launceston	Grocer	60	40
Birchall, Mrs. L.	Launceston	Married Woman	120	80
Payne, Hy. R.I.	Launceston	Draper	120	80
Smith, Percy C.	Launceston	Merchant	-	250
Cook, Joseph (the late)	Launceston	Merchant	600	400
Archer, Basil	Cressy, Tas.	Grazier	60	40
Cheek, John William	Evandale, Tas.	Farmer	200	-
Scott, Robert Steele	Launceston	Investor	120	80
Martin, William &/or Stackhouse, C.K. &/or Martin, C.W.B..	Launceston	Solicitors	-	500
Field, R.C. & Son	Cressy, Tas.	Pastoralist	300	200
Gatenby, Keith	Longford, Tas.	Pastoralist	250	-
Fitze, Norman Howard	Launceston	Tailor	100	-
Smith, Hy. Radcliffe	Launceston	Accountant	60	40
Cleaver, Geo Hy. &/or Cleaver, Frederick H.	Launceston	Ironmongers	60	40
Glasgow Engineering Co Ltd	Launceston	Engineers	60	40
Scott, James	Launceston	Engineers	60	40
Gatenby, Mrs. Maude	Cressy, Tas.	Domestic Duties	60	40
Lade, Herbert Bradley	Scottsdale, Tas.	Land Owner	12	8
Hagerty, James D.	Launceston	Draper	50	-
Mackay, Mrs. E.A.	Melbourne, Vic.	-	60	40
Broomby, John J.	Launceston	Merchant	120	80
O'Corr, Arthur	Avoca, Tas.	Pastoralist	600	400
Archer, Daniel (the late)	Llewellyn, Tas.	Farmer & Grazier	200	-
Snow, John & Co Pty Ltd	Glenferrie, Vic.	Draper	150	100
Snow, Syndey Ltd	Sydney	Draper	300	200
Baragwanath, William	Melbourne, Vic.	Merchant	300	200
Darkin, Miss Rita	Melbourne, Vic.	Draper	180	120
Duff, Robert Ross	Melbourne, Vic.	Commercial Traveller	60	40
Allen, Miss Elsie	Launceston	Clerk	30	20
Fletcher, Jacob	Melbourne, Vic.	Civil Servant	50	100
Goode, Durrant & Co Ltd	Adelaide, SA.	Drapers	-	500
Shaw, Henry	Launceston	Draper	180	120
Burdekin, Beaufort	Sydney, NSW.	Barrister	400	266
Laidlaw, Edwin	Launceston	Retired	200	-
Ellis, Mrs. Alice	Launceston	Married Woman	30	20
Crowther, Miss Alice &/or Crowther, W.	Melbourne, Vic.	-	300	-
Crowther, William	Melbourne, Vic.	Woolbuyer	-	200
Russell, Frederick	Launceston	Timber Merchant	100	-
O'Connor, Roderic G.	Cressy, Vic.	Farmer	600	400
Broadribb, Keith Alfred	Hobart, Tas.	-	1,200	800
Findlay, P.A.	Launceston	Music	60	40
		Warehouseman		
Stewart, Allan James	Launceston	Auctioneer	60	40
Dowling, Mrs. Jessie R.	Campbell Town, Tas.	Married Woman	500	-
Robinson, Alfred Geo	Launceston	Accountant	-	100

Stewart, Jas. & Co Ltd	Rockhampton, Qld	Drapers	600	400
Peterson, Boesen & Co Ltd	Sydney, NSW.	Warehousemen	300	200
Hodgson, Miss Lydia	Melbourne, Vic.	-	100	-
Boyle, Mrs. Lydia	Sydney, NSW.	-	100	-
Skipworth, John (the late)	Ulverstone, Tas.	Draper	60	40
Craw, Percy Ambrose	Burnie, Tas.	Draper	30	20
Allen, William Claude	Launceston	Ironmonger	30	20
Sheehan, William J.	Launceston	-	-	10
Sinclair, Leslie D.	Brisbane, Qld.	Warehouseman	150	100
Metcalf, J. Savile	London	Master Mariner	30	20

**Shares Issued Subject to Payment Wholly in Cash** £40,367 £87,951

**Shares Issued Fully Paid up Otherwise than in Cash** - £5,000

**Total Number of Shares Issued @ 7 June, 1922** £40,367 £92,951

(NB. The Preference share list adds up to 1,000 less than the total given. This was probably just a the result of a secretarial mistake at the time the list was compiled)

\* \* \*

**SUMMARY OF SHARE CAPITAL AND SHARES OF K&K (TAS) LTD made up to the seventh day of June 1922 (being the fourteenth day after the date of the First Ordinary General Meeting in 1922) -**

**Nominal Share Capital**

1. £200,000 divided into:

100,000 Cumulative Preference Shares of £1 each  
100,000 Ordinary Shares of £1 each

2. Total number of Shares taken up to the seventh day of June 1922:

40,367 Cumulative Preference Shares  
92,951 Ordinary Shares

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133,318

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3. Number of Shares issued subject to payment wholly in cash:

40,367 Cumulative Preference Shares

87,951 Ordinary Shares

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128,318

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4. Number of Shares issued as fully paid up otherwise than in cash:

5,000 Ordinary Shares

5. Number of Shares issued as partly paid up to the extent of per share, otherwise than in cash

Nil

6. There has been called up on each of the 40,367 Cumulative Preference Shares:

2/- on application

18/- in calls

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20/-

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7. There has been called up on each of 87,951 Ordinary Shares:

1/- on application

9/- in calls

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10/-

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8. Total amount of calls received, including payments on application and allotments:

£84,007

9. Total amount agreed to be considered as paid on 5,000 Ordinary Shares which have been issued as fully paid up otherwise than in cash:

£5,000

10. Total amount (if any) agreed to be considered as paid on Shares which have been issued as partly paid up to the extent of \_\_\_\_\_ per share:

Nil.



## 11. Total amount of calls unpaid:

£254	Cumulative Preference Shares
78	Ordinary Shares
-----	
£332	
-----	

## 12. Total amount (if any) of sums paid by way of commission in respect of Shares or debentures or allowed by way of discount since date of last summary:

Nil.

## 13. Total amount (if any) paid on \_\_\_\_\_ Shares forfeited:

Nil.

## 14. Total amount of Shares &amp; stock for which share warrants are outstanding:

Nil.

## 15. Total amount of Share warrants issued and surrendered respectively since date of last summary:

130 Ordinary share warrants issued, of which 2 Cumulative have been surrendered  
129 Cumulative Preference warrants issued, of which 1 has been surrendered.

## 16. Number of Shares or amount of stock comprised in each share warrant:

40,367 Cumulative Preference Shares  
92,951 Ordinary Shares

## 17. Total amount of debts due from the Company in respect of all mortgages and charges which are required to be registered with the Registrar:

Nil.

## 18. Names and addresses of the persons who are Directors of the Company, Kelsall &amp; Kemp (Tasmania) Limited on the seventh day of June 1922:

<u>Names</u>	<u>Addresses</u>
Rochdale, Rt. Hon. Lord	Beechwood, Rochdale, Lancashire, England
Lord, Jesse Howarth	Braeside, Oakenrod Hill, Rochdale, Lancashire, England
Roe, Reginald Claude	Meadow House, Rochdale, Lancashire, England
Cragg, George	Adelaide Street, Launceston, Tasmania
Jones, Sir Henry	Hobart, Tasmania
Hart, Hon. Frank Percy	6 Stewart Street, Launceston, Tasmania

Registered Office: 170 Cimitiere Street, Launceston, Tasmania.

(Source - K&K (Tas) Ltd, Minute Book, Annual List of Members & Summary: QVM, 1977/79/25, MS 5)

## APPENDIX C

### Industrial Migrants Introduced by Launceston's Textile Mills (inclusive of chain migrants employed at the mills)\*

\* This list is drawn from many sources, including records from the Department of Social Welfare, company records, and newspaper extracts. It is not necessarily complete, however, as employee records for the 1920s were not available for either mill and it was not possible to compile a comprehensive list from immigration records alone. Not all employees nominated by the company received assisted passages and therefore do not appear in government records. Likewise, not all migrants truthfully listed their intended employment, and the detection of chain migrants is sometimes difficult. Not least, the volume of immigration records makes some oversights on the author's part likely! Compiling information on P&B Launceston was aided by the company's own compilation of migrants nominated in the 1920s. Included under the heading 'Miscellaneous' are a few migrants who (a) appear to have arrived in Tasmania with no direct connection to the mills but were known to have gained employment there & (b) who could not be linked to a specific mill but had the necessary skills and/or connections to gain employment at Launceston's textile mills.

#### **Kelsall & Kemp (Tasmania) Ltd**

Danvers Walker, C.W. - company secretary, arrived to assist with negotiations in 1920.

Tuting, Samuel - mechanical engineer/ foreman mechanic, Rochdale, arrived March 1921

Butterworth, James - mill manager, Rochdale, arrived by Dec. 1921

Brooks, George - ex-serviceman, English, arrived 1921

Tuting, Mrs. Lillian - domestic duties, 42 yrs. (at 4/7/1921), Rochdale, arrived 1922  
 - Sydney - 21 yrs., b.7/5/1900, telephone instrument faultsman  
 - Victor - 15 yrs.  
 - Ronald - 10 yrs.  
 - Marion - 7 yrs.  
 - Harry Crowther - 4 yrs.  
 (Nominated by husband and father, paid by K&K Ltd)

Holt, James (Jim) - foreman carder, 40 yrs. (at Dec. 1921), arrived Jan. 1922  
 - Mrs. Holt  
 (First nominated by Mrs. Tuting & family in July 1921  
 Subsequently nominated by K&K)

Morris, Mrs. Elizabeth - came out in April 1922.  
 (Nominated husband Walter to work at K&K in Dec. 1922)

Chadwick, William (Bill) - woollen worker

Westwood, Dave - a British employee known to be working for K&K in early 1923, but little other information is available.

Whitfield, M. - a British employee known to be working for K&K in early 1923, but little other information is available.

Morris, Walter - cotton worker, ex-servicemen, Rochdale, to undertake general mill work  
(First nominated by wife, Elizabeth;  
Subsequently nominated by William Chadwick, woollen worker,  
Assisted passage rejected on medical grounds, but departed England in April 1923)

Chadwick, James Alfred - woollen operative, mule room, ex-serviceman,  
b.18/6/1898, Rochdale, arrived Aug. 1923  
(Nominated by brother, William Chadwick)

Chadwick, Bertha  
(Nominated by husband, James Chadwick on 24/3/1923)

Rothwell, Thomas - wool spinner, ex-serviceman, Rochdale, arrived Sept. 1923  
- Mrs. Lily  
- Rita  
(Nominated by K&K)

Brooks, Mrs. Annie - weaver, b. 31/12/1892, Lancashire, departed Britain 18/10/1923  
- Ernest, b. 1918  
(Nominated by K&K (wife of George Brooks))

Rigg, Harvey - woollen worker, arrived 21/1/1924 on assisted passage

Rigg, Eva - Cotton reeler, 24 yrs. (at May 1924), Rochdale, to be employed as mill worker, arrived Feb. 1924, returned to England in Dec. 1925.  
(Nominated by Harvey Rigg)

Needham, Charles - miller, b. 13/12/1871, work being arranged, arrived Feb. 1924.  
- Mrs. Alice - miller, b. 18/12/1876  
- Nora - Winder, b. 17/12/1903  
(Nominated by sister, sister-in-law, and aunt, Minnie Rainsford).

Crow, Fred - loom jobber, b. 6/6/1887, Rochdale, arrived February 1925.  
- Mrs. Martha - b. 25/5/1888  
- Marjorie - b. 24/3/1922  
(Nominated by K&K)

Fletcher, James - under carder (cotton mill), 30 yrs. (at May 1925), Rochdale, intended employment in woollen trade, arrived Oct. 1925.

- Mrs. Hannah - home duties, 50 yrs.

- Albert Edward - piercer, cotton worker, 15 yrs.

(Nominated by son-in-law & brother-in-law, Tom Rothwell)

Stott, John - loom jobber, b. 17/8/1881, Rochdale, departed Britain Sept. 1926.

- Mrs. Clara - b. 22/12/1883.

(Nominated by K&K)

Howarth, Thomas - labourer, b. 5/6/1897, Rochdale, departed Britain 14/10/1926

- Mrs. Annie - weaver, 24/11/1900

- Doris - b.26/10/1922.

(Nominated by K&K)

Bagot, Robert - woollen spinner, b. 25/5/1906

- Mrs. Hilda May - winder or ring spinner, b. 19/7/1906

(Nominated by K&K)

Howarth, Miss Annie - woollen weaver, b. 30/10/1909, Rochdale, arrived May 1928.

(Nominated by K&K)

Howarth, Mrs. Elizabeth - housewife, widow, b. 14/2/1868, Rochdale, to be housekeeper for son, arrived May 1928.

(Nominated by son, Tom Howarth)

Tynann, Thomas - woollen spinner, b. 7/2/1901, Rochdale, arrived July 1928.

- Mrs. Florence - mending women, b. 14/9/1899

(Nominated by K&K)

Sykes, Percy - finisher, 32 yrs. (at July 1923), arrived Dec. 1928

- Mrs. Ada - weaver, 36 yrs.

- 3 daughters - aged 9, 6 & 5 yrs.

(Nominated by K&K)

Shatwell, Gilbert - Finisher, 28 yrs. (at Aug. 1929), Rochdale, arrived Jan. 1930

- Mrs. Lily - weaver, 29 yrs.

- Annie - 6 yrs.

- Doris - 2 yrs.

(Nominated by K&K. Gilbert was T. Howarth's brother-in-law)

### **Patons & Baldwins, Limited, Launceston**

McVann, John - mill manager, U.K., arrived 1922

Stewart, William Mason (Jnr) - general manager, Melbourne, arrived 1922

Smith, Allan - Chief engineer, from Foy & Gibsons, Melbourne, arrived 1922

Grierson, William - assistant engineer, Scotland, arrived Jan. 1923

Ferguson, William - chemist and manager of dyehouse, Alloa, arrived March 1923

Adamson, Miss Ann (Annie) Young - worsted spinner, b. 1904, Alloa,  
arrived 16/6/1923  
(Nominated by P&B)

Anderson, Alexander - yarn dyeing, b. 1897, ex-serviceman, Alloa, arrived 6/6/1923  
(Nominated by P&B)

Barker, George - carding and combing, Bradford, arrived 16/6/1923  
- wife  
- children  
(Nominated by P&B)

Boyd, Miss Margaret (Maggie) - warehouse worker, b. 1893, Alloa,  
arrived 16/6/1923  
(Nominated by P&B)

Bremmer, Robert - yarn dyeing, b. 1904, Alloa, arrived 16/6/1923  
(Nominated by P&B)

Brotherton, Miss Margaret (Peggie) Ann - worsted twisting/reeling, b. 1893, Alloa,  
arrived 16/6/1923  
(Nominated by P&B)

Chalmers, Miss Esther Gordon - worsted twister, b. 1896, Alloa, arrived 16/6/1923  
(Nominated by P&B)

Comrie, William - warehouse foreman, b.3/6/1889, Alloa, arrived 16/6/1923  
- Mrs. Agnes - b. 11/6/1889  
- Alex - b. 1912  
- Edward Christie - b. 1916  
- Agnes (jnr) - b. 1920.  
(Nominated by P&B)

Cowling, Miss Doris - mill operative/twister, Wakefield, arrived 16/6/1923  
(Nominated by P&B)

Dawson, Watson - wool buyer, Alloa, arrived 16/6/1923  
- wife  
(Nominated by P&B)

Dickenson, Mrs Clara - worsted drawing, b. 9/11/1891, widow, Wakefield,  
arrived 16/6/1923  
- Norman - drawing, b. 9/3/1908 (son)  
(Nominated by P&B)

Gleeson, Miss Isabella (Bella) - worsted drawer, b. 19/9/1901, Wakefield,  
arrived 16/6/1923  
(Nominated by P&B)

Irene, John Mitchell - twisting and reeling overlooker, b. 5/10/1899,  
arrived 16/6/1923.  
- Rose - worsted spinner, b.3/6/1902.  
(Nominated by P&B)

Izatt, Tom - spinning foreman/worsteds spinner overlooker, b. 27/2/1891, Alloa,  
arrived 16/6/1923  
- Mrs. Annie Hunter - worsted spinner, 31 yrs. (at Jan. 1923)  
(Nominated by P&B)

Maitland, Andrew - foreman wool sorting, Alloa, arrived 16/6/1923  
- wife  
(Nominated by P&B)

McFarlane, Miss Helen (Nell) Allan - worsted reeler/cone winding, b. 1893, Alloa,  
arrived 16/6/1923  
(Nominated by P&B)

McLaren, Miss Margaret (Peggie) - worsted twister, b. 1890, Alloa,  
arrived 16/6/1923  
(Nominated by P&B)

Mitchell, John - universal twisting, Wakefield, arrived 16/6/1923  
- wife  
(Nominated by P&B)

Shields, George - drawing foreman/overlooker, b. 11/2/1891, Halifax,  
arrived 16/6/1923  
- Mrs. Minnie - b. 6/8/1885  
(Nominated by P&B)

Snadden, Miss Janet (Nettie) - worsted spinner, b.1904, Alloa, arrived 16/6/1923  
(Nominated by P&B)

Snadden, Robert - cap twisting foreman/worsteds spinner overlooker, b. 9/8/1888,  
Alloa, arrived 16/6/1923  
- Mrs. Mary McEwan Snaddon - b. 13/1/1990  
- Robert (jnr)- b. 22/9/1916  
- Thomas McEwan - b. 25/6/1918  
- Eric - b. 9/4/1921  
(Nominated by P&B)

Walker, Miss Florence Elizabeth - drawing, b. Feb. 1888, Wakefield,  
arrived 16/6/1923  
(Nominated by P&B)

White, Miss Jean Walls - yarn reeler/spinning & cone winding, b. 1901, Alloa,  
arrived 16/6/1923  
(Nominated by P&B)

Cochrane, Robert - pin setter/foreman heckler, b. 31/9/1881, Alloa, departed  
Britain 24/5/1923  
- Mrs. Maggie - b. 20/1/1882  
- Robert (jnr) - b. 13/4/1910  
- James - b. 17/7/1912  
- Janet - b. 2/2/1915  
- William - b. 21/9/1920  
(Nominated by P&B)

McArthur, John - combing overlooker, b. 6/3/1897, Alloa, departed  
Britain 24/5/1923  
- Margaret - b. 26/2/1901  
- John (jnr) - b. 17/5/1922  
(Nominated by P&B)

Robertson, William - woolsorter, b.1899, departed Britain 24/5/1923  
(Nominated by P&B)

McArthur, William Drysdale - combing overlooker, 26 yrs. (at April 1925), Alloa  
(Nominated by John McArthur: brother)

Kerruish, Frank - Arrived from England in 1924, started work at P&B that same year  
in carding and combing and wool mixing.  
(Nominator unknown)

Procter, Arthur Robert - wool buyer and in charge of wool department, Alloa,  
arrived late 1923

Rae, John Elliot - woolsorter, 18 yrs. (at Nov. 1923), arrived April 1924  
(Nominated by brother-in-law, Watson Dawson;  
Request for assisted passage rejected on medical grounds.)

Gourlay, John - wool sorting, Alloa, arrived 19/11/1924  
(Nominated by P&B)

McCulloch, William - wool sorting, Alloa, arrived 19/11/1924  
(Nominated by P&B)

Currie, William - wool sorting, Alloa, arrived 19/11/1924  
(Nominated by P&B)

Stirling, Sandy - wool sorting, Alloa, arrived 19/11/1924  
(Nominated by P&B)

Anderson, Alexander - dyehouse, arrived 19/11/1924  
(Nominated by P&B)

Bremmer, Bob - dyehouse, arrived 19/11/1924  
(Nominated by P&B)

Feather, Miss Susie - forewoman mender, 39 yrs. (at Sept. 1925), Yorkshire, arrived Feb. 1926  
(Nominated by sister, Sarah Smith)

Cairns, Alexander - drawing and spinning/ worsted spinner overlooker, b.1/2/1902, Alloa, arrived 1926  
- Mrs. Jeanie - worsted spinner, b. 14/8/1901.  
- children  
(Nominated by P&B)

Scott, Arthur Wright - engineer, 21 yrs. (at April 1926), family arrived Oct. 1926.  
- Jessie Cairns - office worker, 20 yrs.  
- Miss Agnes Drummond - home, 18 yrs.  
- Mr. & Mrs Scott (parents) too old for assisted passage and coming at own expense  
(nominated by brother and son, George Rennie Scott, fitter at P&B)

Brooks, James - b. 18/7/1880, Bradford, to work in one of the mills, departed Britain 2/9/1926.  
- Mrs. Mary - b. 10/5/1880  
- John - textile worker, b. 16/10/1906 (there is a later ref. to John working with his uncle at P&B)  
(Nominated by brother-in-law, brother, and uncle, George Barker)

Ramsay, Duncan - drawing and spinning/textile overlooker, b. 12/11/1895, Alloa, arrived 1926  
- Mrs. Isabella - b. 20/5/1895  
- William - b. 24/4/1923  
- Alexander Fraser - b. 24/1/1926  
(nominated by P&B)

Woodend, Sam - drawing and spinning/worsted spinner overlooker, b. 5/2/1894, Alloa, arrived 1926  
- Mrs. Clarissa Ada - b. 1/9/1892  
- children  
(Nominated by P&B)

Boyd, Tom - Alloa, arrived 1926  
- wife  
(Nominated by P&B)



McDonald, Tom - Alloa, arrived 1926

- wife

(Nominated by P&B)

Chalmers, Miss Robina Neil - Scotland, arrived late 1926 or 1927

(Nominated by sister, Esther Gordon Chalmers, forewoman at spinning mill)

Gibb, Mrs. Flora - mill worker, 34 yrs. (at April 1926), Paisley, Scotland, arrived Nov. 1926

- Margaret - 10 yrs.

- Jane - 6 yrs.

- Agnes - 3 yrs.

(nominated by husband and father, James Lawson Gibb)

Sinclair, John - b. 28/8/1903, state that they will find work

- Mrs. Margaret - home duties, b. 28/9/1903

(Nominated by sister-in-law and sister, Jean White, mill worker:)

Batty, William - spinner overlooker, b. 11/12/1900, departed Britain 7/7/1929

- Mrs. Hilda - household duties, b. 25/4/1903

- Jean - b. 7/9/1924

(Nominated by P&B)

Robertson, George - mill worker, b. 26/10/1884, to work in mill, departed Britain 19/11/1927

- Mrs. Catherine - housewife, b. 16/11/1892.

- Maggie - b. 1/8/1918

- Cathie - b. 3/2/1920

- Mary - b. 21/9/1926

(Nominated by brother, brother-in-law and uncle, William Robertson, foreman woolsorter)

Gibb, John - iron turner, engineer, b. 23/1/1896, Paisley, Scotland, departed Britain 22/12/1927

(Nominated by brother, James Lawson Gibb, woolhand)

Cook, Miss Laura - shop assistant, 21 yrs. (at Oct. 1927), will be employed at mill

(Nominated by uncle, Lawson Graham, mill employee)

Hood, Miss Flora - Parlour maid, 28 yrs. (at Sept. 1928), intended employment in domestic service, but later transferred to P&B

(Nominated by cousin, James Lawson Gibb)

Chalmers, Miss Aileen - shop assistant, 18 yrs. (at Dec. 1928), Scotland, employment whatever offers, arrived Jan. 1929, later applies for passport to return to Scotland, granted 21/3/1935.

(Previously nominated by sister, Robina Neil Chalmers in Nov. 1926, subsequently nominated by sister, Esther Gordon Chalmers, mill forewoman)

McDonald, Thomas - mill worker, 26 yrs. (at Jan. 1929), Alloa, arrived May 1929.

- Mrs. Elsie - housewife, 25 yrs., previously employed at P&B Alloa

- Daniel - 2 yrs.

(Nominated by friend, George Percy Robertson)

Snadden, Miss Janet - mill worker, b. 18/11/1882, Alloa, arrived May 1929.

(Nominated by George Percy Robertson (no relation))

Donaldson, Alexander - textile worker, 39 yrs. (at March 1929), Alloa, employment to be secured at P&B, arrived August 1929.

(Nominated by brother, Archibald Donaldson)

Dunley, John - wool sorting foreman, Alloa, arrived Nov. 1929.

- wife

- child

(Nominated by P&B)

Donaldson, Catherine Wright - housewife/mill worker, 38 yrs. (at March 1930), arrived 3/12/1930

- Janet Cochrane - 10 yrs.

(Previously nominated for assisted passage on 14/7/1929.

Nominated by Alexander Donaldson, mill worker)

### **Reliance Worsted Mills Pty Ltd.**

Townsend, Joseph Crowther - mill manager

(Nominated by Reliance)

Townsend, Miss Nimmy - power loom weaver, 34 yrs. (at Jan. 1926), Yorkshire, to instruct other machinists, arrived 29/3/1926.

(Nominated by brother, J.C. Townsend)

Wordsworth, Norman - cloth finisher, 25 yrs. (at June 1927), Huddersfield, arrived Nov. 1927.

- Mrs. Alice - home duties (but also a cloth finisher by trade)

(Nominated by Reliance)

Hoyle, Stanley - loom tuner, b. 6/1/1897, departed Britain 14/1/1928.

- Mrs. Adeline - b. 13/4/1901

- Clifford - b. 23/1/1919

(Nominated by Reliance, half to be paid by nominator, half by nominee)

Crowther, Miss Sarah Jane - weaver, 47 yrs. (at April 1928), Yorkshire, to be employed as weaver at Reliance, arrived August 1928

(Nominated by niece, Nimmy Townsend)

Heywood, Mrs. Carrie Emma Sheldon - weaver, 26 yrs. (at April 1932)

- James - 4 yrs.

(Nominated by husband and father, Robert Heyward, mill operative)

### **Thyne Bros. Pty. Ltd.**

Curtis - mechanic, England

(Nominated by Thyne Bros; Co. requested refund for assisted passage but rejected)

Curtis, Miss Lillian Maud - Clerk, b. 10/1/1896, departed Britain 1/11/1927

- Mrs. Curtis (mother of above)

(Lillian nominated by Thyne Bros.)

### **Miscellaneous**

Barnes, Martha - silk weaver, 47 yrs. (at Nov. 1921), England, employed at K&K by May 1925.

- Edgar, 13 yrs.

- George, 7 yrs.

- James

(Nominated by husband and father, J.W. Barnes.

In Tas. for 5 yrs when family nominated in February 1920)

Haslam, Percy - textile mechanic, Lancashire, intending to become orchardist.

(Nominated Oct. 1922)

Burden, Earnest Harry - woollen mill operative, b. 26/9/1896, ex-serviceman, Oxfordshire, to work in unspecified mill, departed Britain 13/10/1923.

(Nominated by brother-in-law)

Hallas, George - engineer, 21 yrs. (at April 1925), lists intended employment as motor engineer and garage work,

(nominated by John McArthur, combing overlooker at P&B: no relation)

Betteridge, Eva - mill worker/weaver, 33 yrs. (in July 1925), widow, Rochdale, intended employment, dairy work and domestic duties on brother-in-law's farm

- Leonard Lee

(Nominated by sister and aunt, Millicent Alice Lee of Forth)

Woods, Greaves - spinning mule, arrived Oct. 1925.

- Hilda - roving frame

(Nominated by William Douglas Scott, farmer at Tea Tree)

## **BIBLIOGRAPHICAL NOTE**

Most references within the text are self-explanatory, but certain issues do warrant further elaboration. The first relates to the use of newspaper extracts. The author was fortunate that a number of organisations and institutions gathered press cuttings of relevance to this work. However, not all were referenced and the accuracy of the references given cannot be guaranteed. In the majority of cases the location of the reference is therefore provided along with the reference's details. The second issue is the mid-1997 closure of Coats Patons at Launceston. Prior to the company's closure records were made available for the purpose of this study, and this material is listed both within the footnotes and the bibliography as being held by P&B/Coats Patons. After the company's closure, most of the records were donated to Launceston's Queen Victoria Museum and Art Gallery and are currently in the process of being arranged and described. The finding aids prepared by the museum will facilitate access to these records. An explanation about two sections within the bibliography is also necessary. Section A2, entitled 'Coats Patons', has a sub-section for material on K&K (Tas). This is because K&K and P&B/Coats Patons were controlled by the same parent company since the late 1960s, and many of K&K (Tas)'s records were transferred to Coats Patons' Launceston mill upon the former company's closure. The second point relates to section A3, headed 'Coats Patons, Mulgrave'. The records obtained from the Victorian branch of the company were temporarily transferred to the Launceston mill for the purposes of this study.

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#### **2. COATS PATONS, LAUNCESTON**

##### **Material on P&B, Launceston**

Contracts (in envelope marked 'Documents from safe (Mr. APM's office)'):

- Appointment of agent for purposes of the Tasmanian Companies' Act, 7/3/1922
- Appointment of Launceston branch manager, Herbert Gray
- Agreement between Salisbury Foundry Pty Ltd & P&B, 26/7/1922
- Agreement between Hinman, Wright & Manser and P&B, 22/3/1922
- Agreement for erection of 8 cottages between J. & T. Gunn and P&B, 8/8/1923
- Agreement to supply water and electricity, 5/11/1940
- Conditions of use re. contracts for supply of electrical and general machinery
- Draft agreement between Council and P&B, supplemental to 23/3/1922 agreement
- Re. lease of Glen Dhu Street from the Commission of Crown Land, 3/8/1945
- Specification of Spinning Mills - A. North, Richards & Heyward, Architects

Files:

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- Mill History
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**3. COATS PATONS, MULGRAVE, VICTORIA**

Private Letter-book, January 1895 - April 1901  
 Private Letter-book, April 1901 - August 1904

**4. LAUNCESTON CITY COUNCIL, TOWN HALL ANNEXE**

Mill & Housing Plans

**5. PRIVATELY HELD MATERIAL**

Mr. P.M. Hart, Launceston

- Photographs, press cuttings and clipping album.
- Contracts and correspondence obtained from K&K (Tas)'s solicitors, held by Hart
  - Agreement between firms on setting up in Launceston
  - Agreement between E.G. Stone and R.C. Roe, 3/5/1920
  - Agreement to purchase land from Edmund M. King
  - Agreement to purchase land from D.J. Barnard

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#### **(F) ORAL MATERIAL**

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