University of Sydney
AUSTRALIAN CENTRE FOR INDUSTRIAL RELATIONS RESEARCH AND TEACHING (ACIRRT)

THE BACKGROUND TO INDUSTRIAL RELATIONS REFORM: THE EARLY YEARS OF 'INDUSTRIAL RELATIONS' AS A POLICY FIELD IN AUSTRALIA

Richard Morris

ACIRRT Working Paper No. 20
November 1991
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Richard Morris

Dr Richard Morris is a Senior Lecturer and Head of the Department of Industrial Relations at the University of Sydney.

The research assistance of Mike Wright and Rohan Garnett is gratefully acknowledged.
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INTRODUCTION

Coined in the UK in the 1880s and achieving widespread currency in the US by the second decade of the new century,¹ the concept of industrial relations was introduced in Australia during the 1920s. It gained acceptance as an umbrella term denoting a range of policies and strategies in the labour handling field which came to be created and administered by an identifiable network of experts although its usage was not as common as elsewhere in the Anglophone world. An industrial relations 'community' appeared in the 1920s as initiatives for the 'reform' of industrial relations accelerated the professionalization of labour handling and at the same time stimulated the demand for learned comment on labour problems.

It is to the 1920s that students must look for the beginnings of 'industrial relations' as an area of intellectual production in Australia with the appearance of quasi specialist writers on the topic catering for an audience and patronage network among public servants, politicians, businessmen and the social science community in general. This tentative flowering of Australian industrial relations literature was triggered by the reformist and technocratic dynamic in the Australian economy during the early 1920s and ended with the Depression of the early 1930s which switched concern from industrial to financial policy in the public debate.²

This paper examines the emergence of 'industrial relations' as a policy oriented social science in Australia with particular emphasis on the period between World War One and the onset of the Depression. In essence, the proposals and policies of this era represented the first cycle of 'labour market reform' which advocated the downsizing and re-shaping of arbitration and the overhaul of 'work practices'.³ The intellect moulds in which Australian Industrial Relations was formed dates from this period when the arbitration system had matured as the mainstream orthodoxy, becoming a matrix of explicit procedures and values about the conduct of industrial relations. The Federal and State industrial tribunals, together with their registered trade union and employer organisation clients, after a decade or so of life had created a body of precedents for the handling of wage movements and strikes. As the arbitration courts expanded their

judgements and deepened their impact, criticism and presentation of alternatives from an emerging 'industrial relations' network focused on the limitations of centralized wage standards and the problem of state and federal jurisdictions with their costs, delays and confusions.4

THE EARLY APPEARANCE OF AUSTRALIAN LABOUR STUDIES

By World War One, the field had appeared in rudimentary form. There had been earlier comment by Fabians and Progressives on Australian Labour since the late Victorian era. Characteristically, these occasional writings had relied on simplified generalizations made by unspecialized observers on Australian politics, economy and society.

The tentative Australian Fabian networks of politicians, public servants, trade union officials, Unitarians, suffragettes and educational reformers with literary tastes had organized in Melbourne and Adelaide around the turn of the century.5 Their ranks included enthusiasts such as Vida Goldstein whose Cost of Living Tables formed the statistical basis for Higgins' Harvester Judgement.6

Casting around for solutions to the inequities and disorder of the market, the Fabians supported the notion of a basic welfare floor on wages buttressed by state intervention through wages or arbitration boards. During the period when Australian legislations established tribunal systems Fabian writers sought to 'permeate', as the Webbs put it, circles of influence with a positive view of arbitration. Indeed, the mood of criticism against arbitrators in the 1920s represented a counter current to the prevailing approval of the earlier years when no track record was available for adverse comment.

After their visit to the Antipodes in 1898 the Webbs applauded the Australian 'experiments' in their prescriptions for reform.7 The father of New Zealand's compulsory arbitration legislation and later Director of the London School of Economics, W.M.

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4. For example, Pitt Cobbett Foundation Lectures and Papers, Employment Relations and The Basic Wage, University of Tasmania, 1925, p. 39.
Pember Reeves, contributed the definitive treatise on antipodean labour reforms to Fabian literature. That early oracle of Arbitration, Mr Justice Henry Bournes Higgins, himself authored a philosophical defense of the 'new province for law and order' on the eve of World War One. Quite early on, the basic methodological set for 'industrial relations' was established. It consisted in the presentation of legal, historical and organizational data on labour related activities and institutions from which inferences and policy prescriptions were made.

Beyond the Empire, the arbitration experiments were also favourably commented on particularly by American Progressives, who like the Fabians rejected laissez-faire and competitive special interest politics in favour of an ideal of government by an elite of public officials educated in the application of technocratic planning and working in conjunction with trade unions as a countervailing force to excessive market and big business power. John R. Commons, the founder of the Progressive 'Wisconsin School' of Industrial Relations, in his *History of Labour in the United States* made a brief comparison between America and Australia, concluding that the difference was the existence of great landholdings Down Under and the consequent concentration of the labouring classes in the cities where their organizations had acquired industrial and political power. By contrast in the US, labour had not consolidated urban organizational power, but had escaped to free small holdings. In the year before World War One, an Ohio State University professor, M.B. Hammond, visited Australia and published a number of complimentary articles on Australian industrial relations reinforcing the view of the benefits of labour market regulation involving legitimate and properly resourced trade unions in the development of the Progressive programme.

The tradition of exemplar status for Australian labour and industrial relations in American Progressive thought continued through World War One to the end of the 1920s. A few years after Hammond, Carl H. Mote, in a chapter called 'Australia Experiments' raised the possibility of a connection between Australia's prosperity and its 'enlightened and happy

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proletariat, working under favourable conditions' and 'the elaborate system of industrial legislation of the country'.

Favourable assessment continued with the work of research students such as Northcott and Rankin, and the visiting University of Michigan professor Carter Goodrich who echoed Commons, Hammond and Mote. The author of the classic study of the World War One British Shop Steward Movement claimed that the political and class character of Australian industrial relations was likely to be followed in America. It was less likely that Australia would adopt the 'individualism' and 'spirit of business enterprise' of US industrial relations.

The appearance of Australian labour studies was reflected beyond the Anglo-centric world of Fabians and Progressives. Marx had viewed Australia and its new markets as a possible brake on proletariat revolutionary development in Europe since the gold rushes drained off surplus populations of potential revolutionaries and provided expansionary markets for capital. The classic 'workers paradise' appraisal of Antipodean socialism by Albert Metin, the travelling bureaucrat and France's future Minister of Labour in the brief pre World War One Dominque administration, saw print in its first 1901 version as a Fabian type report on Labour Legislation in Australia and New Zealand, commissioned by the French Labour Bureau before publication as the widely read Socialism Sans Doctrine.

In Germany, the writers of National Okonomie and others waxed lyrical on similar themes as the Fabians and Progressives to the extent that, by 1913 the literature on Australia as the 'workers paradise' and 'the country of social miracles' had reached such proportions that even the extreme left of the European Marxist movement felt compelled to answer widely made claims that social and political developments in Australia was providing another nail in the coffin of Karl Marx.

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These gazers from afar and occasional birds of passage assisted in setting the agenda, providing points of reference and strengthening the gradual emergence of an indigenous research network. However, it was not until World War One that a local milieu of Industrial Relations experts began to develop in the universities, law chambers and public service departments with a cadre of publicists and intellectuals offering advice on policy ideas. The appearance of 'industrial relations' as a technocratic and applied social science 'paradigm' separable from the study of politics, economy and society in general dates from this period. These early Australian industrial relations analysts found a major organizational focus in the Workers' Educational Association (WEA). Established in Australia in 1914, the WEA provided a machinery for the transmission of ideas about work and industrial relations. Evidence of an expanding network can also be read in the establishment of an Australian Progressive Party in 1915 under the leadership of George Beeby whose role as an industrial relations intellectual and activist grew during our period.\(^{18}\)

**TECHNOCRATS AND CRITICS**

A professional audience grew for the critical analysis of existing labour conditions and prescriptions for reform in a more detailed and systematic fashion. By World War One all states and the Commonwealth employed bureaucrats and lawyers to handle labour affairs. Between 1900-1910, arbitration courts, wages boards and their registries, together with departments of labour, became part of official life with a routine and permanent interest in industrial relations. In NSW, the demand for labour records was met by the publication of an Industrial Gazette under the auspices of the Ministry of Labour and Industry. The first issue in 1912 set out details of 'operations, awards and judgements, and analytical and exigtical matter' based on this data. Indeed, the first editor, John Barton Holme, was representative of the new industrial relations intellectual. A lawyer and public servant, he joined the NSW Department of Labour and Industry as an investigator and statistician in 1911 and assisted the Minister, George Beeby, in drafting the 1912 NSW Industrial Arbitration Act.\(^{19}\) The expansion of permanent machineries for monitoring labour was accelerated during the war by the pressures of manpower

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requirements which generated unprecedented state intervention in the labour market. Additional institutional machinery such as demarcation boards in ship building were established to resolve disputes over labour flexibility. More complex and universal labour policies serviced by professional handlers multiplied the audience for expert advice.

With the post war development of new industries, the technocratic impulse received further support with direct and indirect implications for labour. Imported machinery and components for processes hitherto unknown in Australian manufacturing required new classifications and measurement techniques by the tariff authorities. In addition the Tariff Board required precise knowledge of wage rates and labour costs on a national and international basis in order to assess proposed tariff adjustments.

The general administrative guidance of utilitarian and technocratic knowledge during the 1920s was supported by both Labour and the Nationalist parties whose 1921 election program has undertaken to 'evaluate the skills in workmanship'. The Hughes Government had established the Institute of Science and Industry after World War One and in 1922 set up an Australian Standards Association consisting of public servants and representatives from the engineering, chemical and mining professional institutes. The new body examined the diversification of electrical equipment, pipes, tramway rails, locomotives, and building materials as part of a growing efficiency and rationalization movement inspired by American models. The Deputy Prime Minister, Sir Earle Page, quoted in his memoirs a US Chamber of Commerce slogan to the effect that 'a quarter of all industrial effort, or the work of 5 million men, was wasted because of the great diversification of styles, sizes and type, or lack of standardization which greatly increased the cost of living'. In the middle years of the decade, further initiatives included the establishment of the Council for Scientific and Industrial Research (CSIR) in 1926 and a Committee on Simplified Practice and Elimination of Waste in 1927.

However, together with the thrust toward planned and measured utilitarianism, a number of developments during this period tended to erode the recently established orthodoxy of wage-fixing, wage justice and dispute handling through compulsory arbitration and create a climate amenable to reforms and innovations in industrial relations. Arbitration was

unsuccessful in containing the rash of strikes emerging in the second half of the war. There was a constant elevation of working days lost through strikes from 1915 to the onset of the Depression in 1928,23 coupled with the occurrence of major showpiece strikes such as the 1917 NSW General Strike and the 1919 Seamen’s Strike. Perceptions of a labour crisis grew in the minds of businessmen, politicians and publicists. In the new mass production industries of the 1920s such as vehicle building, electrical appliance manufacture, rubber, steel and textiles, the constraints on wages flexibility imposed by compulsory arbitration came to be viewed as a brake on productivity. Further, the advocates of scientific management and industrial psychology had no role for arbitration courts in their programs. By the 1920s both doctrines had a following Down Under. Scientific management articles and advice were reproduced in the new general business magazines and tentative experiments in the new American techniques of work payment and control were occurring particularly in the expanding and foreign owned sectors of the metals and clothing industries.24

As the global economic climate cloyed after the War, falling prices in a number of product markets including metals and steel led to employer calls for commensurate wage reductions to be achieved more effectively by the removal of artificial floors on wage fixing created by compulsory arbitration. These calls achieved widespread public currency and were relayed by sympathetic newspaper proprietors and editors.

Ship and mine owners complained that Australian wage rates made exports uncompetitive. During the 1920s, BHP put out the figures to demonstrate that it cost more to send a ton of steel from Newcastle to Perth than it did from Europe to Perth.25 Sir William Ropner, owner of the British tramp shipping company of the same name, was quoted as claiming Australian port charges to be two or three times higher than a comparable dominion commodity export port such as Montreal.26 So prevalent was the conviction of artificially high arbitrated rates and uncompetitive productivity that the visiting Salvation Army Supremo, General William Booth, claimed ‘there was a distinct effort to reduce output in Australia’ in a 1924 speech delivered not inappropriately to the Millions Club in Sydney.27 Concerns about award rates and productivity joined delay and

backlog problems, overlapping jurisdictions, and perceived rises in industrial conflict in the catalogue of complaints about arbitration courts from businessmen, trade unionists, politicians and religious figures.

Aside from business and community publicists, experts attempted to add seasoned opinions to the growing critical debate on arbitration from the war years on. Elton Mayo, whose Durkheimian views on the restoration of industrial order were formed before his departure from the chair in philosophy at the University of Queensland to his famous career in the United States, condemned arbitration in his contribution to the 1920 collection of essays edited by the WEA pioneer Meredith Atkinson. According to Mayo, arbitration 'widened the social chasm separating masters and men, and countenanced the action of the class war. In effect, arbitration recognises and legalises social disintegration'.

Mayo did not possess a seasoned alternative at this stage to put before policy makers. Nor had T.A. Coghlan whose 1918 four volume publication *Labour and Industry in Australia* represented in purely physical size the grandest contribution to the field to date. Coghlan's book remained something of an antiquated sport, echoing a pre-fabian liberal perspective which did not jell with the agendas of the collectivists and professional technocrats who were beginning to surface in the labour handling field.

Nor did yet another labour theoretician of the period, V.G. Childe, whose qualifications and connections in labour circles seemed strong, participate in the emergent dialogues of industrial relations technocrats and pundits. V.G. Childe was involved with G.D.H. Cole at the University of Oxford during the war but he did not transfer to Australia the new reform ideas such as guild socialism as pioneered by Cole or the more establishment orientated Whitley Council schemes for productivity enhancement. Such ideas became part of the basic heritage of British industrial relations literature.

More concerned with macro-level political implications and the acquisition of centralized state power by Labour, Childe remained something of an unthinking traditionalist in shopfloor industrial relations. He did not advocate workplace autonomy and was realistically aware of the strength of arbitration, which as he noted offered a certain price-

fixing capacity to employers through standardized wages and conditions as well as a fillip to union organizational expansion with the statutory requirements for trade union participation in the arbitration process.\(^{30}\)

Although Mayo, Coghlan and Childe had a resonance with the general audience for works on policies, economy and society, they did not develop the technical and specialized interest in institutions and procedures of wage fixation and dispute handling which were to become the hallmarks of the industrial relations expert.

An example of the new style technocratically oriented and more specialised labour experts was R.F. Irvine, Professor of Economics at the University of Sydney, WEA Associate and activist along with Francis Anderson, in the anti-establishment University sociology movement.\(^{31}\) Irvine eschewed the radical syndicalist guild socialism program which had become a new current in labour intellectual circles during the First World War. Niles Carpenter in his classic 1922 analysis of Guild Socialism, optimistically reported on the advent of Guild Socialist ideas in Australia\(^ {32}\), but R.F. Irvine like V.G. Childe, proved to be a lukewarm and critical vehicle for G.D.H. Cole's ideas.

Like many of the WEA group, Irvine adopted an ambivalent position on worker power while looking to the labour movement as a possible supporter for reformist ideas and activities. In 1915 he had gone on record claiming that 'the traditional aims of trade unionism had been achieved. Wage-fixing machinery underwrote a fair day's pay while statutes supported pensions, improved working hours and conditions'. Further, demonstrating the early penetration of scientific management ideas into Australia, he commended the pursuit of efficiency to trade unions.\(^ {33}\)

His opposition to syndicalism and bolshevism appealed to trade union moderates and he was credited with exerting a major influence on the trade union proposals at the 1921 Industrial Relations Conference. In Irvine's scheme of things workers' control was not


\(^{31}\) H. Bourke, 'Social Scientists as Intellectuals: From the First World War to the Depression', in B.Head (ed).p.64, App.54-6


central. He followed Major Douglas in advocating the control of credit and the regulation of prices by consumer associations as the lynchpin of industrial reform. Once this framework was in place then the administration of industry by democratic shop committees and quantitative and qualitative improvements in workers' conditions would fall into place. He did not regard the institutional details as problematic or requiring close analysis once the power of private capital over finance and pricing had been removed. Irvine did not accept the guild socialist idea of workplace control as central. Rather, the dynamic of pro labour economic change consisted in macro reform to the economic infrastructure. As a disciplinary paradigms, Irvine's 'industrial relations' remained dependent on 'economics' and this was to be typical of one strand of thought throughout the period.

Whatever his disciplinary bent, Irvine was part of a broadly based movement for reform supported by a range of elements which included conservative and radical politicians, business leaders, newspaper proprietors and editors, trade union officials, lawyers, public servants and university men. At the heart of the reform program were reservations over the performance of compulsory arbitration coupled with preference for an alternative model of a more enterprise oriented industrial relations such as the British Whitley Councils which aimed to expand employee involvement and commitment at the point of production without incurring the radical power shifts endorsed by guild socialism or workplace soviets.

THE CENTRAL REFORM CONCEPT: INDUSTRIAL COUNCILS AND THE CHALLENGE TO ARBITRATION

By the end of the war, the industrial council concept had moved to the front of the debate. Legislation for the establishment of enterprise level bodies passed into the statute books after an extensive traffic in ideas and concepts about industrial democracy, efficiency, productivity and business administration as the war drew to a close. This renaissance

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35. See, for example, G. Anderson, The Fixation of Wages in Australia, Melbourne, 1929.
36. Round Table, Vol. XII, 1921-2, p.695.
accelerated the creation of industrial relations as an intellectual product. The key industrial council idea grew out of a body of reports, public lectures, conferences, and study tours in which overseas models of practice were compared and assessed with varying degrees of scientific rigour and personal anecdote. A network developed which transcended purely intellectual circles and directly influenced core political decision-makers. In the parliamentary debates on the Industrial Peace Bill, Stanley Melbourne Bruce, the future Attorney General and Prime Minister, was among the politicians to cite the 1917 British Whitley Report in detail and draw on reports of public lectures and his own study for observations to underpin the case for industrial councils.\textsuperscript{38}

The failure of the existing mechanisms to contain the postwar tide of industrial unrest had encouraged experimentation with a new approach which amounted to a form of collective bargaining outside the arbitration system. The role of 'round table' discussions in the settlement of the 1919 Seamen's strike were a factor in the resignation of the President of the Arbitration Court, H.B. Higgins, whose farewell speech was a protest against Commonwealth acquiescence in the retreat from compulsory arbitration.\textsuperscript{39} 'Round Table' conferences and industrial councils appeared to offer an immediate and novel format for industrial relationships which transcended the old and apparently ineffective arbitral procedures.

Tripartite conferencing between the employers, the unions and Government was a feature of the newly created shipbuilding industry.\textsuperscript{40} Employer recognition of the idea was signalled by a special 1919 conference on industrial councils convened by the Central Council of Employer Federations.\textsuperscript{41} In addition, the idea of new and less formal procedures for negotiation were initially of appeal to labour after the example of the seamen showed how substantial benefits could be won.

In terms of institutional consolidation, the round table movement reached its zenith in the 1920 Commonwealth Industrial Peace Act whose industrial board system staffed by extra judicial personnel moved in the letter of the law away from conventional court based arbitration toward enterprise and local round table procedures. On paper, the 1920 Industrial Peace Act and state measures such as South Australia's 1920 Industrial Code

\textsuperscript{38} *Hansard* (1920), 5 August 1920, pp.3313-4, also, pp.3331-3.

\textsuperscript{39} R. Morris, 'Mr Justice Higgins Scuppered: The 1919 Seaman's Strike', *Labour History*, No.37, November 1979 pp.52-62.

\textsuperscript{40} *SMH*, 26 June 1917.

\textsuperscript{41} *SMH*, 22 August 1919.
Act and the 1918 NSW amendment to the Industrial Arbitration Act supplemented traditional arbitration with a range of new industrial relations handling bodies: the Commonwealth Industrial Council, district councils, special tribunals and local boards.\(^{42}\) Supporters of the Act which included the then Prime Minister and Attorney General W.H. Hughes expected to transcend the narrow legalism created by arbitration and its dependence on a 'dispute' to trigger the cycle of resolutions and settlement. In its place, 'round table' processes would create a greater range of issues and permit a new emphasis on planning and productivity away from traditional arbitral concerns with appropriate legal procedures and little else.\(^{43}\)

Despite the expressions of intent, the expansions of industrial councils did not meet with much further success. In 1926 Prime Minister Stanley Melbourne Bruce refused to appoint local tribunals under the Industrial Peace Act and thus promote 'Whitleyism'. Rejecting his earlier support for the concept, he claimed that constitutional difficulties would arise from the wide extension of round table conferences.\(^{44}\) Judged in terms of its actual implementation, the industrial council concept did not herald a new universal institution in the Australian workplace. As a credible policy, the industrial council concept lasted half a decade or so and left its practical mark in the strengthening and justification of special tribunals within the arbitration framework. However, the debate over industrial councils had stimulated ideological activity in the industrial relations field to an unprecedented degree, and had given life to new networks and forums for the discussion of policy, through not the workaday operation of new institutions and procedures.

**THE RISE OF NETWORKING: CONFERENCES AND MISSIONS**

Although industrial councils did not prosper at the enterprise level, the vogue for national problem solving summity began after World War One and continued until the end of the decade. The tradition began notably with the 1922 national Round Table Industrial Conference organised by the Prime Minister, W.H. Hughes. At this assembly, invited speakers from the intellectual milieu joined trade union stalwarts and business community activists in a forum at which the Cabinet and its advisers attempted to assess and mobilize support for its industrial relations policies.

\(^{42}\) *Hansard*, 6 August 1920 p.3392.

\(^{43}\) *Hansard*, 4 August 1920 p.3239.

W.H. Hughes' agenda was the extension of industrial councils and the implementation of the 1920 Industrial Peace Act. On the employers agenda was the rationalisation of state and federal arbitration rather than its substitution. To avoid wages competition, employers called for the centralization of hours and wages fixing in one court. No role was envisaged for state tribunals, instead boards for each industry were to be set up with powers to decide non-wage industrial matters. These boards would consist of equal numbers of employees and employers. In this respect, there was considerable convergence of trade union and employer views. The trade union delegation, from which the Australian Workers Union and the trade halls representatives of QLD, Victoria and SA were absent, proposed an elaborate scheme of industrial councils with powers to regulate universal relations between employers, employees and consumers in industry. In the interim joint commissions would be set up to oversee the efficient rationalization of industry, its financial support and the universal allocation of labour. Such bodies would also monitor and enforce 'basic claims' similar to the Webbs' National Minimum which would place a floor on wages and hours and welfare provisions and establish a substantive role for workers in the control of industry.\(^{45}\)

Industrial summit conferences expanded in number during the 1920s as a form of national networking which consolidated an industrial relations milieu in Australia. At these gatherings, solutions were sought to specific problems which loomed as the major occasion of the conference but more general exchanges on the desirability or otherwise of reform were also aired. Beyond the philosophical level, round table conferences provided an immediate and novel format for industrial relationships which transcended the hidebound, and for many disputants, ineffective arbitral procedures.

Like much in the ideological and policy worlds of the 1920s, industrial conference summity was a foreign import. Brainstorming sessions beyond customary traditional channels came into vogue in a number of fields after World War One. W.H. Hughes claimed to have been 'inspired by the success of the conference idea as illustrated by London and Washington'.\(^{46}\)

Reconstruction carried over from diplomacy into industrial relations. The Rev T.B. Holmes, President of the NSW Methodist Conference, called for a 'League of Industrialism' on the basis of the League of Nations to heal the wounds between Capital

\(^{45}\) *Round Table*, op-cit., pp. 700-2.

\(^{46}\) *Round Table*, Vol. XII, 1921-2, p.695.
and Labour. But the concrete example of industrial relations summity had been provided by President Woodrow Wilson's National Industrial Conference in 1919 where delegates from American industry, trade unions and government had unsuccessfully attempted to reach consensus over a national industrial relations policy.

The Australian industrial relations summit tradition lasted through the 1920s and in terms of substantive results was as ineffective as the American counterparts. No binding and significant undertakings or agreements emerged.

As the industrial crises deepened in the 1920s with major disputes in stevedoring, coal and timber, new energies were applied to revive the concept of national industrial relations conferences. The 1928 British Economic Mission summoned to quell fear in the City of London about Australian debt, had endorsed round table conferences as preferable to arbitration as a 'more effective means of arriving at fair and working industrial agreements'. In the same year, the last of the major conferences of the 1920s, the 1928 Industrial Peace Conference, convened to solidify opinion around reform. The current of opinion among delegates supported 'some form of conciliation at the point of production' as opposed to compulsory arbitration which 'had never solved more than 15% of disputes in the period 1920-5 and had also failed to maintain workers' purchasing power'.

However, in February 1929, Bruce's Industrial Peace Conference collapsed after communist union officials successfully lobbied for the withdrawal of NSW Labour Council delegates and the departure of mining industry representatives for a newly convened Royal Commission into Coal.

In late 1929, the incoming Scullin attempted to call another round table summit but the project proceeded no further than the establishment of a management committee and was eventually abandoned in the New Year as support for the exercise failed to materialise from important and trade union groups including the NSW Labour Council.

The round table concept only lived on in the netherworld of unrealized plans. The President of ACTU, J.J. Duggan, hoped for a permanent tribunal to bring about 'more

47. SMH, 24.2.1921.
50. SMH, 11 February 1928.
harmonious industrial machinery' and continued to support vague plans for new institutions to supplement arbitration but, in general, the Depression flattened the collective impulse to seek ways to innovate in industrial relations.52

The notion of industrial conferences to provide a forum for collective negotiations, policy and planning formation, beyond the rigid structure of compulsory arbitration continued to appeal in intellectual circles late in the decade. F.R.E. Mauldon, one of the first Melbourne academics in the industrial relations field, defended the industrial conference concept against the 'overwhelming dominance' of compulsory arbitration but without stimulating any renewal of interest from the practitioners in the employer organizations, trade unions and political parties.53 Although the conference agendas were not fruitful, the summit concept caused the industrial relations milieu to stand up and be counted.

In the genesis of reform, industrial and economic missions from and to overseas also played a significant role. The industrial missions aimed to encourage change through the importation of new schemes legitimated through their usage in the major heartlands of industrial capitalism, and the US piecework and scientific management regimes were examined in this way. Like conferences, industrial missions crystallized consideration of a new concept and represented a significant stage in its diffusion. The overseas trip by expert group or individuals became a virtual pre-requisite for informed discussion about an imported institution or technique, and can be taken as further evidence of the growth of networking and a professional knowledge base in the labour handling field.

An exemplary mission was the 1927 Industrial Delegation to the US, appointed to investigate methods and working conditions in US manufacturing industry. It included a government representative and secretary, four employers, and four employee representatives and accompanied by the Associate Editor of the Melbourne Herald who published a popular account of the trip.54 The trade unionists, led by the conservative Edward Grayndler, Secretary of the AWU, lacked the support of radical labour movement groups including the Labour Council of NSW. Critics also opined that in the USA the delegates 'were led by the hand and shown where to go'55 in a tour which began with an audience with President Coolidge and Herbert Hoover, then the Secretary of Commerce,

and extending largely to the 'scientific' management establishment and supportive elements of labour.

After discussions with the Taylor Society, the American Management Association and the American Federation of Labour (AFL), the delegation's report summarized the impressions left by factory visits: 'no doubt that insistent propaganda for better management has been a material factor in keying up the executives of American industry to the necessity for efficiency ... the keenness thus originated is radiated through the lower executives, including foremen, and necessarily permeates through the whole establishment, inducing an element of team spirit which obviates the disturbances of petty friction'.

The Report contained no conclusions but tabled summary addenda indicating a divergence in views between the employer and employee representatives. The employers' delegates viewed favourably the freedom from arbitration court awards, advocating a government role in industry limited to research and market opening. They looked favourably on incentive wage schemes, or payment by results as it was becoming known, 'employee representation plans' and non-bargaining shop councils which would not provide a hindrance to the individual bonus plans at the heart of scientific management.

Some of these shop councils which the industrial delegation endorsed were highly bureaucratized and possessed elaborate constitutions at least on paper. In the Report, a number were cited as exemplars such as the 'Employees Congress of the American Seating Company of Grand Rapids', which contained a cabinet of superintendents, a senate of foremen, a house of representatives of elected workers, and a system of standing committees to be consulted upon working methods, safety and cost reduction but not on the implementation of new wage rates or incentive schemes. However, the trade unionist delegates concluded that US industrial success was the result of modern investment in equipment and power rather than piecework and wage incentives. Reservation about decentralized and managerially controlled wage reform were reinforced by the second major visitation of the era, the 1928 British Economic Mission to Australia which passed an unsupportive judgement: 'The stop watch methods of the

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58. Ibid p.1154.
efficiency engineers, valuable as these methods may be in their application to many individual tasks, were inappropriate here.59

Industrial Conferences and missions led to an elaboration of new ideas, but such proceedings did not, after the 1920 Industrial Peace Act, lead to innovation of an institutional or legislative nature. However, one effect of the conference and mission phenomenon was that the labour expert became recognised by inclusion in delegations and invitation to conferences. By the 1920s a network of colleagues had appeared in Australia whose numbers, degree of specialization and regularity of exchanges were evidence of a definable industrial relations community. Nevertheless, the impact of this milieu on the government's handling of industrial relations grew weaker rather than stronger as the industrial crisis of the 1920s developed.

THE REPORT ON INDUSTRIAL RELATIONS AND THE RISE OF LEGALISM

The major usage of the actual term 'industrial relations' during the period was as the title of an anonymous 60 page government report Industrial Relations in Australia presented in March 1925.60 Somewhat paradoxically, the Report signalled the growth of interest in purely legal solutions and did not endorse any multidisciplinary handling of the 'labour problem' by means of scientific management, workplace participatory schemes, round table conferencing and the like which typified analyses and reform prescriptions under the emergent rubric of 'industrial relations' elsewhere in the Anglophone world. Produced by a Commonwealth advisory committee which included Harrison Moore, the Melbourne Law Professor, and E. Dyason, a businessman and Economics Society luminary,61 the confidential report illustrated a renaissance of in-house decision making by the Conservative Bruce-Page Government which was against the spirit of 'round table' conferencing and national consultative summits. Circulated widely within the government over the next half decade the text and copious appendices provided the most available compendium of data and opinions on industrial relations then in existence. Containing submissions from the Commonwealth Industrial Registrar and from the Attorney-General's Department, it provided the blueprint for the program of amendments to the

59. SMH, 3 February 1928, Economic Record, Vol. 5 (No.8), 1929.
60. Industrial Relations in Australia, Commonwealth Archives Office, CP 103/11.
arbitration act and other industrial legislation which the then attorney-general Littleton Groom was contemplating by early 1925.

The report consisted in a short economics section and a long legal section reflecting the shift in approaches to the labour problem. In their analysis of the effects of labour regulation, the authors found little discernible impact on the productive capacity of workers, on income distribution, on unemployment or the number of industrial stoppages. However, the report did not recommend the absention of regulators from the industrial relation field, rather there should be strengthening of arbitration with the establishment of an Economics Service to provide research back-up on wages, prices, tariffs and unemployment to the Court. But the central problem according to the Report's authors was dual jurisdictions. Although a single authority was theoretically ideal, industrial operations were so vast and complicated that a Commonwealth regulatory monopoly would result in the overwhelming of Parliament. As a result, the states should retain responsibility for many matters including apprenticeship, factory and office acts, workers compensation and unemployment. Heralding the industrial legislation program of the next half decade, the report recommended that the Commonwealth should adjust industrial relations regulatory jurisdictions and retain authority only over the truly national industries such as shearing, shipping, stevedoring and coal mining. Industrial Relations policy for the Bruce-Page Government was to consist in a basket of procedural adjustments achieved by legal enactment.

Nonetheless, as the 1920s wore on, currents of opinion about reform at the point of production by methods that were not directly related to legislative action remained in circulation. The voluntary and non-arbitral US model continued to enjoy rhetorical support from those called on to deliver their opinions in public. The visiting New Zealander, Professor Tocker, endorsed scientific management with a modicum of collective bargaining as a path to lower unit wage costs at a number of venues and Professor R.C. Mills of Sydney University also endorsed scientific business management and piecework at the aborted 1929 Industrial Peace Conference. The Governor-General's speech to the new parliament in February 1929 approved of payment by results, indicating the concept was still alive in the minds of speech writers and policy makers during the twilight years of government interest in industrial relations before the Depression re-established the ascendancy of monetary and financial policy. At the same

63. Hansard, Vol. 120 (1929) p.95.
time, the deliberations and judgements of the arbitration courts reflected the impact of the new ideas about workplace productivity issues. However, 'industrial relations' increasingly came to be construed in legalistic terms in the years following the confidential Commonwealth report and the rise to positions of power of conservative lawyers.

New industrial relations proposals of the Whitley industrial council type which aimed to unlock creative energies at the point of production through management techniques, payment schemes and participative non-adversarial round tables and industrial councils, was then successfully challenged by a growth in legal doctrine. The legal approach gained influence in ministerial and elite circles after the mid 1920s and renewed emphasis on defining industrial relations reform in terms of changes in legal procedures and jurisdictions which would enhance individual accountability and facilitate prohibitions and penalties of the type visited on offenders in criminal and civil law.

The flagship proposal of the new legal reformers involved the rationalization of arbitration jurisdictions and won support in Commonwealth and state attorney generals departments, cabinets and legislatures. The 1925 report with its first significant use of the umbrella term 'industrial relations' in Australia, as opposed to the customary definition of the field in official dicta as 'industrial problems', 'industrial matters' or as distinct issues such as 'industrial disputes', 'industrial arbitration', 'labour' and 'wages', resonated with traditional legal concerns and approaches imported from the constitutional and juridical sphere and set the agenda.

Two years later a further public policy landmark, the Royal Commission on the Constitution, crystallized a 'dry' industrial law solution as a remedy to labour problems, attaching lesser weight to the new panaceas of round table conferences, industrial councils and like processes. It affirmed the procedural and punitive legal approach as paramount in defining the parameters and content of 'industrial relations'. Although the alternative paradigms continued to be articulated, the emphasis of elite opinion as reflected by a majority of the commissioners shifted away from voluntaristic and workplace productivity initiatives.

The Royal Commission received letters patent in August 1927 which contained within the terms of reference 'the industrial powers of the Commonwealth'. Over 300 witnesses

64. CAR, (1932), Vol. 31, pp 26-27.
were examined in nearly 200 sittings held in all state capitals and a number of country towns during the next two years. Among the 40 or more witnesses with specific industrial relations expertise were judges, barristers, academics, trade unionists, economists, employers and employer association officials. These included Henry Bournes Higgins, Justice of the High Court of Australia, Edward Holden, Managing Director of Holden Motor Body Builders, Henry Kneebone, Vice-President Australasian Council of Trade Unions, James Brigden, Professor of Economics, University of Tasmania, Professor R.C. Mills and Dr Fredrick Benham of the University of Sydney.65

In the hearings, some attempted to revive support for the now flagging movement for workplace reform. One of the last of the Australian Whitleyites, Henry Kneebone, former industrial roundsman of the Adelaide Advertiser and Vice-Chairman of the ACTU, canvassed the establishment of industrial councils under new legislation which would supplement the weak and largely unused Industrial Peace Act applicable in the coal industry. Appearing at an Adelaide sitting in January 1928 Kneebone argued for non judicial elective boards of employers and employees, who free from political influence and with industrial experience, could readily settle disputes without the delays of up to five years between notification and settlement which characterized arbitration. Kneebone’s thesis called for the establishment of an independent board to which powers over all industrial or economic affairs should be transferred from parliament. It would also incorporate the Tariff Board, the Interstate Commission and the Development and Migration Commission. But jurisdictional and disciplinary legal remedies rather than institutional development won out.

Whitleyism lost ground to new advocacy of utilitarian legal measures which emphasized the restoration of industrial order rather than any redistribution of power toward the shopfloor works committee. The initiative passed to legal conservatives who regarded Commonwealth arbitration after two decades as an unsuccessful experiment. The status quo of ‘compulsory arbitration’ was met with calls for its effective dismantlement. Another royal commission witness, the Western Australian lawyer Horace Benson Jackson, supported the replacement of federal arbitration by civil law remedies and whatever measures the states chose. This was the option elected for by the commissioners.66

66. ibid., p 244; SMH 30 November 1927 and 30 January 1928.
The Royal Commission's specific recommendation was that industrial legislation should be the function of the states, requiring the amendment of section 51 of the Constitution. The grounds cited were that industrial matters required 'peculiarly local supervision' and being 'experimental' in character the risk should also be assumed by the states along with other powers it exercised over business, property and the 'infrastructure'. The three out of seven dissenting commissioners which included two labour men as well as T.R. Ashworth, President of the Victorian Employers Federation, favoured a unitary solution which would enforce common rule on employers in different states and thus eliminate unfair competition over varying rates of pay and conditions.

The royal commission contributed to the symbolic decline in interest in industrial relations as a field of expertise promoting workplace reforms and its re-definition as an arm of constitutional policy. The majority of commissioners supported the national policy of devolution and its industrial relations implications promoted by Attorney-General Latham who had become the driving force behind the new legalism.  

Legally oriented conservative opinion had acquired greater resonance with the replacement of Sir Littleton Groom by Latham as the Bruce-Page Government's Attorney-General in December 1925. Latham did nothing to encourage the development of reformist policy of the round table and conciliatory type. Well connected to an elite network of businessmen, lawyers and anti-labour politicians including the NSW Attorney-General and later Premier Sir Thomas Bavin, he tried to support with new law the growing conviction of employers in the advantages of a disciplinary approach to the labour problem, which given the 44 hour week legislation in NSW, might require the extension of Commonwealth industrial powers, rather than their contraction. The rise of the 'red spectre' after the appearance of the One Big Union Movement and the consolidation of the Australian Communist Party in the early 1920s, coupled with growing economic malaise in several key sectors diminished the credibility of technocratic solutions by way of 'scientific management' and informal negotiations of procedures between industrial disputants. Industrial relations policy became more highly politicized and coloured with the idioms of class war. The anti-business Lang Government in NSW added to this trend.

The restoration of industrial order and the rationalization of the arbitration system provided the philosophical basis for the Bruce-Page Government legislation in the later 1920s which included amendments to the Commonwealth Crimes and Arbitration Acts, the Transport Workers' Act, and the unsuccessful and electorally fatal 1929 Maritime Industries Bill. In this climate technocratic ideas failed to obtain legislative support, and although continuing to be aired by delegations and commission witnesses, and the authors of reports and papers, were edged off the serious policy platform.\textsuperscript{69}

As Lloyd Ross noted in the \textit{Economic Record} \textsuperscript{70}, the depression ushered in financial policy as the central area of concern. The elite defined its responsibilities in terms of monetary soundness during the Scullin era and beyond. The labour issue was viewed as an appendage to a universal monetary problem. Scullin's aborted industrial conference ended the cycle of these special events for Industrial Relations experts and practitioners. Instead, the economically oriented August 1930 Premier's Conference established such forums as the major set piece occasions for summit public policy brainstorming. Addressed by the economic missionary Sir Otto Niemeyer, and reported to by various expert Treasury bureaucrats and academics from the now dominant university social science discipline of economics, the conference turned on monetary policy in which wages, productivity and employment did not require separate explanation or autonomous handling.\textsuperscript{71}

Economics as a policy field entered a new stage of growth during the Depression with renewed interest in tariff or monetary policy, while 'industrial relations' enjoyed a much more patchy expansion on the boundaries of economics and law. Some policy experts such as F.W. Benham, E.C. Dyason and F.W.E. Mauldoon moved between economics policy in general and what would now be considered the domain of 'industrial relations' proper.\textsuperscript{72} Nonetheless, the 1920s witnessed the recognisable strengthening of the industrial relations culture with its array of academic experts, bureaucrats, trade union, officials and employer representatives. However, the expansion of 'industrial relations' as a corporatist doctrine of close co-operation between employers, the State and trade unions did not occur. The anti-labour legalism of the Bruce-Page Government was replaced with a monetary orthodoxy which did not view labour as a factor with a will of its own requiring special industrial techniques for appropriate handling. Industrial relations

\textsuperscript{69} The \textit{Economic Record}, May 1928, p.115.
\textsuperscript{70} op. cit., December 1932, pp. 217 - 9.
\textsuperscript{71} \textit{SMH}, 30 June 1931.
\textsuperscript{72} F.W. Benham, \textit{The Prosperity of Australia}, P.S. King & Son, Melbourne, 1927.
was crowded out by monetary policy as unemployment reduced trade union memberships and thus political and industrial significance.

CONCLUSION

The story of industrial relations as a concept and policy in its evolutionary period is one of mixed success. The new discipline was promoted by the establishment of ministries and departments of labour, by the growth of social sciences in universities after World War One, and the appearance of societies, of which the WEA was the best known, with an interest in the world of labour.

The audience for industrial relations literature was also expanded by reform proposals and processes. The public policy debate about labour accelerated to the 1920s. National industrial summits, conferences and overseas study missions involving politicians, trade union officials, employee representatives and university experts appeared in novel forms and greater frequency. New reformist ideas such as industrial councils and payment by results were championed by intellectuals and obtained the passing attention of practitioners.

However, the early growth of industrial relations in Australia was more ephemeral than in the UK and US, where not only did state apparatuses such as departments of labour and employment multiply, but also university positions for the study of industrial relations were endowed, providing an established focus for the nurturing of a specialized audience and set of doctrines. In Australia, despite the historical interest in the labour problem dating from the 19th Century and the political power of labour parties, there were constraints on the emergence of industrial relations as a umbrella labour knowledge field. One barrier was the early institutionalization of compulsory arbitration which ceded a commanding position in the exercise of labour knowledge to lawyers. The absence of proper rules of evidence among other technical quirks in arbitration proceedings led legal purists to take a dim view of the field's status. Yet high decision making in the field became increasingly the function of politicians with legal training but no industrial background such as Stanley Bruce, John Latham and Thomas Bavin, all of whom succeeded from attorney-generalships to premierships during periods of industrial crisis.

At the same time, efforts to engineer consent through extensive participatory procedures such as industrial councils lost steam. The 1925 Report on Industrial Relations with its
anonymous authors and restricted circulation within the legislatures and government departments is evidence of the growth of secrecy in industrial relations decision-making which inhibited the development of a practitioner and learned audience for a new social science orientated to applied techniques and policy issues. The peak trades hall bodies and the infant ACTU orchestrated political attention on labour matters, but had only embryo research functions which were too hobbled by resource constraints and internal dissension to contribute to the nascent social science. The ascendency of financial policy after 1929 with its reports, debates and arguments on the topic of debt dimmed interest in labour reform, dispute resolution and productivity enhancement techniques. Wage reductions and mass unemployment rendered concern with microeconomic labour management much less central.

But, nonetheless, by the end of the 1920s the volume of writings on industrial relations and the number of public rituals which had been devoted to it by way of conferences and overseas missions was greater than had been the case ten years earlier. A basic pattern of recommendations for reform or 'restructuring' emerged. It embodied 'microeconomic' initiatives at enterprise level supported by framework legislation such as the Industrial Peace Act and was based on current overseas models. In a later phase of the cycle, jurisdictional re-shuffling through new legislation tended to replace the encouragement of workplace initiatives. After first becoming apparent during the 1920s, this pattern was to re-emerge with many original resemblances during later reformist periods including the 1980s.
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