CHAPTER ONE

Introduction

This thesis examines industrial welfarism in Australia from 1890 to 1965. The 1890s represent a watershed period in Australian labour history. The depression and general strikes of the period subsequently led to state intervention through wages boards and compulsory arbitration, providing management with an incentive to alter their labour control strategies. While not suggesting a definite end to company welfare provision, 1965 reflects a convenient cut-off point for the thesis. The 1960s led to the consolidation of the personnel function in Australian industry, and while welfare remained an important element of this function in some companies, legislative and social changes had begun to weaken worker dependence on company provided services and benefits. By analysing this period of welfarism, the thesis aims to contribute to the growing body of research on the historical role of the employer in workplace industrial relations, and to inform the current debates on the nature of contemporary labour management practice.

Employers have traditionally been neglected as an area of study in both Industrial Relations and Labour History. The central role that they have played in defining and shaping the nature of work and employment relations, particularly in Australia, has been overshadowed by a concentration on workers and their trade unions. Moreover, researchers have traditionally failed to approach industrial relations from a micro perspective. Rather, they have been preoccupied with the centralised nature of industrial regulation in Australia, neglecting the area of workplace relations. Consequently, when employers have been recognised as a party in the industrial relations system, studies have typically emphasised the role they play at a centralised level. This has resulted in the erroneous impression of employers as weak and reactive participants in the system, constrained by government legislation, arbitral awards and trade unions, and lacking strategic vision.¹

The growth of Human Resource Management (HRM) during the 1980s has led to a new focus on the workplace and on employer influence over the nature and character of employment arrangements in Australia. In general, Australian managers are seen to have
adopted an increasingly proactive and strategic stance to labour management over the last two decades. However, as Chris Wright argues, the fact that little systematic historical research has been conducted into the role of the employer raises questions about the accuracy of such an attitude. The view that the traditional Australian employer was weak and reactive may not reflect any approximation to historical reality, but rather the narrowness of traditional research interests.\(^2\)

It is paramount that contemporary developments in labour management are placed within a broader historical context for two main reasons. Firstly, the current debate on Australian employers and management practice rests upon assumptions, as opposed to analysis of the past. Consequently, any examination of the extent and nature of change is rendered meaningless unless developments can be measured against the past. Second, historical research not only provides a means of assessing current behaviour, but also warns against repeating the failures of the past.\(^3\) The comprehensive research conducted by Chris Wright has offered a considerable contribution to our knowledge of the history of Australian labour management, as well as to our understanding of contemporary practice.\(^4\) This thesis seeks to build on Wright’s work by concentrating on one key strategy adopted by Australian employers – industrial welfarism.

This strategy was chosen for three main reasons. Firstly, relative to overseas studies, welfarism has generally been neglected as an area of research in Australia. On the few occasions that the history of Australian labour management has been studied, the majority of research has focussed on scientific management. In contrast, there is sizable overseas literature on welfarism, most notably in the United States (US). Research studies on welfarism can also be found in relative abundance in the British and Canadian literature.

Considering the importance of welfarism as a labour management strategy overseas, it is instructive to explore the extent and incidence of welfarism in Australia, the shape it took, and the motives behind its introduction. Such insights not only contribute to an understanding of Australian labour and management history, they add a new perspective for overseas research. Comparative studies are vital in gaining an understanding of the factors affecting the success of labour management strategies. While US researchers have looked to Europe and Britain for contextual comparisons, an understanding of the market,
political and institutional factors influencing the adoption and nature of welfarism in Australia could help to explain the popularity of the strategy in the US.\

Secondly, an exploration of the extent and incidence of welfarism in Australia tests the assumption that Australian employers traditionally managed the workforce in a largely ad hoc manner, accepting the pluralist industrial relations system and reacting mainly to the external environment. Indeed, those writers who recognise the importance of welfarism in Australia note that it represented the first moves by employers towards a more systematic and formalised approach to employment relations within the firm. Thus, the period of welfarism represents a key stage in the history of labour management in Australia.

Finally, welfarism provides a key historical precedent to HRM and research into the strategy can therefore inform current debates over the ‘newness’ of recent labour management developments. Indeed, HRM is argued to reflect a new era in Australian labour management strategy. Wright’s work, however, demonstrates that Australian employers have adopted a cyclical rather than evolutionary or developmental approach to the management of labour. Such an argument is not limited to the Australian context. Sanford Jacoby argues that the present state of industrial relations in the US represents less of a break from the past than a rerun. He contends that ‘the history of welfare capitalism, while fascinating in its own right, can also be read as a cautionary tale about the present.’ Thus, this thesis aims to build the body of research on the history of Australian labour management, and to contribute to the recent debates over contemporary management strategy.

**Definition**

For a number of reasons to be outlined in chapter two, defining welfarism is problematic and a matter of interpretation. In general, researchers adopt the following definition provided by the Department of Labor in the US in 1919:

> Anything for the comfort and improvement, intellectual or social, of the employees, over and above wages paid, which is not a necessity of industry nor required by law.
This definition demonstrates the vast and unspecific nature of welfarism and the difficulties inherent in establishing the parameters of the strategy. For the purpose of this thesis, the above definition is adopted with certain qualifications. Welfarism is defined as a top-down strategy aimed at improving labour supply, and also at reinforcing managerial control over the workforce. Despite the broad parameters of the strategy, welfarism is not viewed as a generic term, but is defined as a distinct approach to managing labour involving the voluntary provision of benefits and services, but in no way modifying the capitalist system. This definition includes provisions such as pension schemes, educational services, housing and stores, recreational services, medical care, and superior amenities. Excluded from analysis are those activities that, apart from reinforcing management’s position, change the existing power relations at the workplace such as profit sharing and stock ownership plans, and company unions. Finally, welfarism is defined as a conscious movement in the industrial world during the first half of the twentieth century.

**Methodology**

The main historical source for the thesis was documents of both a primary and secondary nature. The latter included books, company histories, theses and journal articles. The primary sources utilised included the holdings of three companies – Tooth & Co. Limited, the Bank of New South Wales (NSW), and the NSW Government Railways. The holdings of the Commonwealth Government were also utilised, particularly in relation to the Second World War and immediate post-War periods, as were Government reports and publications in the period under investigation.

The three companies selected for close analysis represent different sectors of Australian industry. Tooth & Co. Limited, a brewing company, is located in the blue-collar, manufacturing industry. The Company’s holdings are found in the Noel Butlin Archives at the Australian National University, Canberra, and include a wide variety of deposits. Apart from numerous files on Tooth’s welfare program, the holdings also include information on the welfare schemes of other companies in Australian industry. Further insight was gained from deposits containing employee correspondence to the company, and union matters. The comprehensive collection of house journals was an important source of information regarding the welfare scheme of this company. The Bank of NSW records provide insight
into welfarism in a white-collar enterprise in Australia. These records were held at the Bank’s archives in Homebush, NSW. As with Tooth & Co., the house journal of the Bank contained valuable information on the company’s various welfare schemes, as did annual reports and company memos. The public sector enterprise chosen for study was the NSW Government Railways. The private collection of Associate Professor Greg Patmore contains a broad and comprehensive range of files that allow for an in-depth analysis of welfarism in this enterprise. Again, the house journal was an important source of information about the various welfare schemes in operation.

The records of the Department of Labour and National Service (DLNS), held in the Australian Archives in Sydney, were a key source of information on welfarism during the Second World War and post-War period. These files document the state’s role in training welfare officers for industry, promoting the adoption of welfarism in private industry, and enforcing codes of practice on employers. Surveys of welfare provision in industry are contained in this deposit, providing an additional source of information on the extent and incidence of welfarism in Australia. The rise of the Personnel Management movement in post-War Australia is also evident in these files.

A variety of other primary and secondary sources were used to gain broader insight into the extent, incidence and nature of welfarism in Australia. These sources can be found in the bibliography at the end of the thesis.

**Structure**

The thesis is structured in a manner that highlights both thematic and chronological order. The thesis structure is primarily informed by the work of Stuart Brandes in the US. While diverging in a number of ways due to the nature of welfarism in Australia, and the definition adopted for the purpose of this thesis, Brandes’ book *American Welfare Capitalism* was the main point of reference when grouping various welfare schemes into thematic chapters.

Chapter two examines overseas and Australian contributions to the study of labour management, and welfarism in particular. The limitations in existing literature are highlighted, followed by an overview of the debate on labour management strategy. The current literature on welfarism is then examined. Particular attention is afforded to the
definitional problems associated with welfarism, as well as the discourse over the motives
for provision and the success of the strategy overseas.

Chapter three provides a chronological overview of the welfarism movement in
Australia. Of particular note are the contextual and temporal factors affecting the extent,
incidence, and nature of the strategy in Australia over the period of study.

The next six chapters examine the most popular forms of welfare provision in
Australian industry. Each chapter is structured to provide a chronological overview of the
extent and incidence of the schemes before examining the goals and strategies involved in
their provision. Chapter four explores pension schemes, one of the earliest forms of
welfarism in Australia. Chapter five analyses the provision of recreation, a popular
preference amongst employers when establishing welfare schemes. Chapter six examines
the educational services provided by welfarist companies. These included company-
sponsored children and adult education, company libraries, and house journals. Chapter
seven examines company-based health and accident care, the various manifestations of
which include sick and accident funds, medical and hospital benefits, safety first
campaigns, and in-house medical care and counselling. Chapter eight examines company
housing and store schemes, while chapter nine explores the provision of superior amenities
in Australian industry.

Discussion in each chapter is divided under four main headings. The first heading is
Labour Supply. In providing welfare benefits and services, employers were concerned with
increasing the quantity and quality of the company’s labour supply. While superior wage
rates could achieve this objective, as Wright notes, the competitive nature of a market
economy meant that employers had a natural tendency to seek to reduce the price (or wage)
paid for labour to as low a level as possible. Further, welfare benefits and services could
offer more to an employee in terms of financial security and personal satisfaction than
could a small increase in pay. Welfare provision was therefore designed to attract and
retain quality workers. It could also increase the quality of existing employees by
improving education and health levels, thereby enhancing their potential efficiency.

However, while good recruits could be attracted and retained by welfare benefits,
this did not necessarily mean that they would apply themselves to achieving organisational
efficiency. Indeed, the need to convert the labour power of these workers (the potential to
work) into labour (actual work effort) has been a perennial issue for employers in all capitalist countries in managing their workforces. As Wright explains, ‘while the employer contracts with the employee to work a particular period for a wage, there is an inherent uncertainty in the extent to which the employee will actually apply him or herself during this period.’ Employers seek to overcome the uncertainties of labour application by maximising managerial control over the labour force. However, employees will often seek to resist or mitigate the conditions under which their work effort is managed. They may vary and restrict the level of actual work effort they apply, and can combine collectively to resist managerial control and to bargain over the terms and conditions of their employment.

Consequently, the managers’ need to control the labour force is tempered by the parallel need for employee co-operation and commitment. The employer cannot exercise total control in the workplace and therefore seeks to ‘manufacture’ the consent of the labour-force to managerial authority. The role of welfarism in achieving such consent is discussed under the heading of Managerial Prerogative in this thesis. In general, management aimed to enhance employee commitment and co-operation by fostering worker loyalty to the company. This, it was hoped, would also reduce the tendency of workers to combine collectively over matters of labour cost (wages) and working conditions and thus minimise the influence of trade unions. Alternatively, a more co-operative relationship with unions could be fostered, thereby reducing union intervention and industrial conflict. Welfare benefits offering economic security were also designed to build worker ‘consent’ to managerial authority by creating a situation of dependency. Non-pecuniary welfare schemes such as recreation and housing could have a similar effect if alternative sources were limited.

Overseas literature also stresses the importance of welfarism as a means of improving public relations. According to Brandes, a sympathetic public could help undermine political support for anti-trust litigation or restrictive legislation, and could often determine the outcome of a strike, or indeed if there would be a strike at all. While there is no strong evidence that Australian employers saw the public relations function of welfarism was anything more than a way to improve sales, some chapters of this thesis nonetheless include a discussion on the issue since public sympathy had the potential to reinforce managerial control over the terms and conditions of employment.
The distinction between *Labour Supply* and *Managerial Prerogative* is not exclusive. Strategies to improve the quality and quantity of labour supply could also reinforce managerial control over the workforce and personnel decisions, and likewise in reverse. It is inherently difficult to distinguish between the creation and the control of labour stock. However, such distinctions are used in this thesis as a conceptual device to demonstrate the dual role of welfarism in industry.

The remaining two headings include *Characteristics of Schemes* and *Labour Response*. The former analyses the arrangements governing participation in and administration of the schemes, as well as the formality and type of provisions. These factors are important in determining the nature of welfare schemes in Australia. The response of both individual workers and organised labour is a significant indicator of the success of the strategy in Australia, and therefore also warrants specific attention.

Chapter ten outlines the major findings from the thesis, and relates these to the recent debates surrounding the nature of contemporary labour management practice. Overall, this thesis demonstrates that, far from operating in a reactive and ad hoc manner, a number of Australian employers did adopt welfarism in order to control their workforce and maximise their output. However, the nature of the product and labour market in Australia, combined with the political and institutional contexts, meant that the welfarism movement was varied and sporadic, both within and across industry and overtime.

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2. ibid, p.3.
3. ibid, p.xi

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10 Wright, *The Management of Labour*, p.3.
11 ibid, p.4.
CHAPTER TWO

Literature Review

This chapter provides an overview of the current literature on labour management strategy, focussing particularly on welfarism.\(^1\) It begins by reviewing the literature on labour management strategies at the workplace. Much of this literature has been influenced by the ‘labour process’ debate which developed in the US and Britain during the mid-1970s. Australian research has largely neglected this area, and despite significant contributions in recent years, there remain gaps in our understanding of the historical development of labour management in Australian industry. One area requiring further study is welfarism. The vast majority of literature in this area is based upon US, Canadian and British research. This chapter reviews and analyses this literature, and highlights the need for a comprehensive examination of the strategy in the Australian context.

The Research Gap

Until recently the role of employers in industrial relations systems was largely ignored as an area of research. According to Chris Wright\(^2\), such traditional neglect has occurred for several reasons. First, the practical origins of the academic study of industrial relations pointed researchers towards solving industry and governments’ ‘labour problems’ such as industrial conflict, absenteeism and low productivity. This resulted in a preoccupation with workers and their trade unions rather than employers. These trends were reinforced by the creation of theoretical frameworks such as Dunlop’s ‘systems’ model\(^3\) which emphasised the ‘processes of rule making’ and the ‘institutions of job regulation’, whereas in practice researchers focussed upon rules that were collectively determined by trade union action, largely ignoring the ability of employers to unilaterally impose rules to govern the nature of workplace relations. Such problems have been fuelled by the unwillingness of management to allow independent research into labour policies, problems in gaining access to employer records, and a sympathy or preference amongst researchers for trade unions.\(^4\)
In Australia, the lack of industrial relations analysis of employers and management has been particularly evident and enduring. Not only have the above problems been prevalent, additional factors have contributed to the neglect of employers in Australian research. In particular, the failure, until recently, to analyse management initiatives in industrial relations at the workplace level. Indeed, enterprise-based studies have traditionally been few and restricted to a small number of industries, and productivity has rarely been an explicit issue. Despite the broader focus of labour history, there are few studies before 1980 that directly examine the history of changes in management practice or the labour process.

Bray and Littler offer several factors to explain this research neglect in Australia, particularly in the case of labour process analysis. Firstly, there has been a lack of sociological tradition in industrial relations research. Rather, research in Australia has been dominated by the disciplines of economics (with a narrow focus) and law. As a result, academic inquiry has been mainly directed towards aggregate wage levels and the arbitration system. Secondly, Australian trade unions have traditionally failed to see the issues of technology and work organisation as important, affecting the directions of research. Thirdly, the preoccupation of researchers with the centralised features of the arbitration system has drawn attention away from the workplace.

This research gap has led to a number of assumptions about the nature of Australian employers and managers. Foremost is the view of employers as reactive participants in Australian industrial relations, constrained by government legislation, arbitration awards and powerful trade unions. Some writers emphasise the extent to which environmental factors have discouraged Australian employers from adopting a more active role in industrial relations. Dabscheck, for example, has described Australian employers as ‘absentee landlords’ who have primarily protected their security and profits through government contracts outside the industrial relations system. Similarly, Plowman has argued that tariff protection and compulsory arbitration in Australia have caused employers to adopt a ‘soft’ approach to bargaining, and have limited their experimentation with more sophisticated labour management practices.

However, as Wright contends, ‘the vision of the Australian employer as weak and reactive may simply reflect the narrowness of traditional research interests rather than any
approximation to historical reality. Indeed, Wright’s work clearly demonstrates the major, and at times dominant, role of employers in shaping work and employment in Australia. That this role has not been recognised in the past is indicative of the centralised level of traditional industrial relations research. Rather, as Wright illustrates, the most significant, innovative behaviour of employers has occurred at the workplace or enterprise level, areas traditionally neglected by Australian industrial relations research.

Two events lead to a growing need to incorporate the role of management in the study of industrial relations, both in Australia and overseas. Firstly, the publication of Braverman’s *Labour and Monopoly Capitalism* in 1974 gave rise to a mass of labour process literature focusing on the three main areas of deskilling, the nature of labour markets and managerial strategy and control. Secondly, the rise of HRM during the 1980s led researchers to begin to view employers as important subjects of study in their own right.

Labour process theory essentially asserts that the ultimate function of management is the conversion of labour power (the potential to work) into labour (actual work effort) under conditions which allow for capital accumulation. To the extent that individual or collective worker resistance interferes with this function, management is concerned to ‘control’ labour. Braverman asserted that different phases of capitalism evoked different forms of managerial control and that monopoly capitalism involved extensive job fragmentation, job specialisation and deskillling in order to enhance job control. The paradigm has come under much criticism, particularly due to Braverman’s claim that the principles of Scientific Management captured the essence of capitalist production and became the standard form of managerial control under monopoly capitalism. For Braverman, welfarism and other labour management practices provided the ‘maintenance crew for the human machinery.’ In other words, they were ancillary to the real control managers exercised over their workers though scientific management.

Such claims provoked intense debates over management strategy within the labour process literature as well as non-labour process literature. Labour process writers in the US and Britain such as Edwards, Friedman and Burawoy subsequently developed their own typologies to describe different types of labour management strategies, and the factors under which they were adopted. Australian research into the labour process lagged
significantly behind. Indeed, it is difficult to find evidence of any impact by Braverman’s work on Australian literature before the 1980s. The one exception is the Political Economy Movement whose members in 1977 began to debate the usefulness of the labour process analysis for developing and understanding of contemporary economic and political events.\textsuperscript{18} During the 1980s and 1990s, however, public policy debate focussed increasingly on the issue of productivity in the workplace, and this is reflected in greater scholarly interest in the labour process and workplace industrial relations.\textsuperscript{19} Since this time a growing stock of Australian research into the applicability of labour process theory to the Australian context has increased our knowledge of management history in this country. For those outside the labour process tradition, however, there remains little attempt to place contemporary developments in management practice within a broader historical context.

Indeed, while the rise of HRM during the 1980s led to a recognition of the need to study employers as research areas in their own right, with the notable exception of Wright’s work, the majority of the contemporary management literature fails to recognise the historical development of Australian labour management. This neglect, as noted by Wright, is problematic for two main reasons. First, much current debate on Australian employers and management practice rests upon assumptions, as opposed to analysis of the past. For example, the contemporary depiction of Australian managers as increasingly strategy-minded and proactive is based upon assumptions of their traditionally reactive behaviour. However, any examination of the extent and nature of contemporary change and developments are rendered meaningless unless they can be assessed against previous behaviour. Second, apart from providing a medium in which to assess current behaviour, historical analysis also alerts to the dangers of repeating past failures.\textsuperscript{20}

This thesis aims to build on the work of Wright by examining the strategy of welfarism in Australia. While this strategy has been the focus of debate within the American, British and Canadian literature, it has received significantly less attention in Australia. Two notable exceptions apart from Wright are Erik Eklund and Gail Reekie who have both conducted industry specific research. Eklund’s research is primarily focussed on the metal mining and smelting industry while Reekie concentrates on the retail industry.\textsuperscript{21} However, a broad study of welfarism in Australian industry has until now not been conducted.
The concept of managerial strategy has given rise to considerable debate within the literature. According to Bray and Littler there are three lines of interrogation: the concept’s implications of rationality; the relation between intended strategy and its implementation; and the extent to which the labour process is the main point of reference.  

In terms of the implications of rationality, many case studies have discovered that management operates with a fire-brigade mentality, more concerned with coping with day-to-day crises than long-term, strategic planning. However, Bray and Littler contend that ‘the ideas of some authors…that “strategy” entails consciousness, rationality, permanency or fixity of purpose and a detailed plan of campaign broadly accepted across levels and segments of management represents an over-rationalised conception of strategy.’ Rather, they argue, choices are made within a set of constraints and if these choices fall within a particular pattern, we are entitled to talk about ‘managerial strategy’. That is, ‘strategy’ refers to the method of managing labour and it is a useful way to understand organisational processes irrespective of the coherence of the managing director’s consciousness.

In terms of the second question, the gap between policy and practice, Bray and Littler contend that to follow a strategy does not imply success. Researchers should therefore not infer the successful implementation of a managerial strategy from a simple statement of policy. As Bray and Littler point out, ‘we can hypothesise that all control systems decay; that is to say that all such systems are, over time, subject to reduced efficacy in eliciting worker effort and commitment because of the contradictory aspects of the labour process.’

The question of the degree to which the labour process is the central focus of managerial strategies is one of contention. Certainly those writing in the labour process tradition such as Braverman would argue in favour of this proposition. However, for writers from the Chandler tradition, the discussion of strategy has been focused on product markets and inter-capitalist competition, relegating to one side the linkages between labour problems, labour relations and the development of modern management. Despite problems with this approach, Littler and Salaman note that non-labour derived income does play a major, and perhaps dominant, role in many companies. ‘Surplus value has to be
produced but also realized in the market. What this implies is that the realization of surplus value (i.e. finding markets, selling in those markets and making a profit) may be more crucial than the production of surplus value for certain firms, certain industries or during certain periods.’ Thus, labour control and production management may not be the dominant management consideration. As Littler and Salaman contend, a primary consideration for the labour process paradigm is to determine the circumstances in which labour strategies dominate managerial initiatives, rather than simply assuming that they are the main point of reference for managerial policy.27

As Bray and Littler note, the first two lines of interrogation surrounding the concept of management strategy warn researchers off simplistic assumptions. Management is not always rational, omnipotent or successful. Management can pursue conflicting strategies and deal with labour issues on an ad hoc basis. The third line of interrogation implies that any history of capitalist work organisation cannot be based solely on an analysis of the labour process. The importance of labour strategies for management will vary with changing circumstances external to the point of production. Clearly though, labour cannot be ignored as a factor of production and contradictions will continually arise in terms of managerial strategy and control.28

**Labour Management Strategy and the Control Relationship**

Two issues are paramount in the minds of employers in managing their workforces; labour cost and labour application. The former concerns the price paid for labour and the bargaining process that accompanies the determination of wages. Employers naturally attempt to minimise labour costs, given the competitive nature of a market economy. This may be achieved within the bargaining process or through the substitution of expensive skilled labour with cheaper, semi-skilled workers.29 Labour application refers to the conversion of labour power (the potential to work) into labour (actual work effort). When employers hire workers there is no guarantee that they will fulfil management’s production goals. In order to receive their wages, workers must provide labour power, but they retain the ability to vary and restrict the amount of labour that they provide. Furthermore, they can combine collectively to challenge management’s authority and can seek to bargain over the terms and conditions of their employment.30 Employers therefore develop structures
and strategies in order to better control their human resources and to extract the optimum labour from their workforce.

Labour application is the central focus of labour process theorists. However, one area in which the labour process literature has not dealt with sufficiently is the nature of the control relationship between management and workers. In general, there are two interpretations of this relationship within the literature. The first approach is to assume a simple and constant dialect between control and resistance. Braverman subscribed to this view, as did Friedman. According to Bray and Littler, within this view, ‘managers are structurally cast into positions whereby they have to achieve organizational objectives (especially a flow of profits) through others and where the notion of accountability means that the activities of others may be held to the manager’s account.’ Thus, control is a key structural element of management. ‘This hierarchical control relation is part of the economic exchange relations of capitalism which require the constant generation of surplus value and the accumulation of capital.’ These downward pressures influence workers’ economic and social situations, such that they resist this control.  

An alternative view recognises the dual nature of the control relationship and the associated contradictions. Of the labour process writers, Burawoy best conceptualises the notion of contradiction, arguing that the central problem for the capitalist employer is to secure but also to obscure the production of surplus.  As Bray and Littler note, for the employer, there is ‘a perpetual tension between treating labour as a commodity and treating it as a non-commodity, that is as a continuing social relationship.’ The employer-worker relationship is not based on simple economic exchange, even if the material basis is the key to capital accumulation. Rather, contradictions arise, particularly because employers are faced with continually transforming the forces of production, which, in turn, entails stimulating motivation, and harnessing labour’s creative and productive powers. Thus, to some extent, employers must seek a co-operative relationship with labour. Since workers can always bargain with their obedience, effort and consciousness, the achievement of consent is a basic aspect of all strategies of control.

Labour, on the other hand, is also faced with the pressure of contradictions. While resisting subordination and exploitation, workers also have an interest in the continuing viability of the organisation that employs them. Indeed, a central function of company
welfare benefits and services was the reinforcement of this interest. As Tom Kemp notes, welfarism assumed that workers who belonged to a company’s insurance plan for accident, sickness, old age and death would identify their own and their families’ interests with those of the firm and not risk their stake in its success by asking for higher wages, going on strike, or joining a union. Thus, as Bray and Littler explain, ‘instead of a simple dialectic of control and resistance, there is a fractured interplay of control, consensus and bargaining.’

Extending the analysis beyond the point of production, Littler and Salaman contend that the employment relationship, and the associated dimension of dependency, is crucial to an understanding of the achievement of control of the labour process. Dependency is determined by two broad factors - the capacity of workers to organise in opposition to employers, and alternative sources of need-satisfaction. With respect to the former, two factors are significant: the capital/state relationship and divisions amongst the working class. As Littler and Salaman note, it is important to remember that classes do not exist separately from their relations to the state. The political struggle intersects at the point of production and the forms of state intervention and control provide a crucial context for the development of the labour process. For example, societies differ in the extent to which unionisation and collective bargaining are accepted or inhibited. However, unionisation is double-edged and as Nichols and Beynon have demonstrated, a strategy of incorporating the workforce to achieve consent to managerial authority could entail encouraging unionisation. Such a situation could well apply in the Australian context.

In terms of working-class divisions, there is a dynamic of fragmentation counterposed to that of collectivism. The conflicts between skilled and unskilled workers are the most obvious. However, as Blackburn and Mann point out, this conflict is mirrored by differences ‘between male to female, between native-born and immigrants, between ethnic groups, between young, middle-aged and old, and between those privileged by an internal labour market and those not so privileged.’ They argue that the nature of the division ‘is the same: it is between established and new workers, that is between those already established in the process of production and those recently brought into it by the expansion of capitalism’. As Littler and Salaman note, capitalist expansion creates continually re-occurring division within the working class based on job rights and job security.
division is reinforced by the selective provision of welfare benefits and services to particular groups within an organisation. Thus, welfarism could splinter the working class and weaken collective action, thereby reinforcing worker dependency on the company.

Dependency is also determined by alternative sources of needs-satisfaction. The most important aspect of this is the availability of alternative employment. However, also of significance is the workers’ need for welfare services and benefits such as health care and pensions. The distinction here is between enterprise-related welfare versus state welfare. In general, the susceptibility of workers to the control of management is at a maximum when, as Littler and Salaman state ‘anyone to whom the worker might turn for recourse has close ties with management and when the employer controls health facilities and living conditions.’

This clearly has implications for the viability and effectiveness of welfarism as a managerial control strategy.

Thus, control of the labour process can be influenced by factors external to the workplace. Indeed, changes in the broader environment of the firm can throw off balance the control imperatives of employers, forcing them to reassess their labour management strategies. While Burawoy emphasised the role of the state in influencing management’s choice of control strategies, in general the control perspective of labour process theory is limited. In this regard, Littler and Salaman contend, ‘It is a superficial level of analysis simply to look at the interior of the workshop.’

Non-labour process theories such as that of Kochan, Katz and McKersie (KKM) take into account wider external factors and, according to Plowman, represent a useful contrast with the more deterministic and selective features of the labour process tradition. KKM view the historic changes in the US industrial relations system as the product of environmental pressures and organisational strategies. Central to their argument is the notion that industrial relations practices and outcomes are shaped by the interactions of environmental forces along with the strategic choices and values of managers, union leaders, workers and public policy decision makers. Thus, control is established through interactions external to the point of production, and these factors must be recognised when understanding labour management strategy.

Despite offering a broader view of the control relationship and management strategy, Wright has argued that KKM share with labour process writers the failure to
capture the breadth of management action, as well as the ability of employers to adopt seemingly contradictory approaches simultaneously.\textsuperscript{46} According to Wright, Gospel has developed a broader vision of employer action. His analysis of British employers identifies three different levels of management strategies and structures - employment relations, work relations and industrial relations.\textsuperscript{47} Employment relations include arrangements that management may develop governing the recruitment, selection, training, and reward of employees. Work relations refer to how management chooses to organise the technical and social features of work. Industrial relations is the way in which employers manage organised labour and deal with collective labour pressures such as trade unions and the nature of bargaining.\textsuperscript{48}

While such distinctions are far from exclusive, they provide a conceptual device to convey the breadth of labour management decision-making and to identify and understand the contradictory approaches to labour management.\textsuperscript{49} This is important for an analysis of welfarism. Indeed, the typologies developed by labour process writers do not adequately explain the contradictions associated with the adoption of this strategy. For example, some researchers have attempted to make use of Edward’s categories of simple, technical and bureaucratic control, but have found problems inherent in his analysis. Edwards and Scullion utilised Edwards’s categories in an analysis of the shopfloor situation of seven plants in Britain. In terms of simple control, with which Edwards associated welfarism, they found that in two clothing firms; ‘Managements pursue a mixture of control strategies in which, in the case of the clothing industry, paternalism, welfarism, repression, and other elements were all involved. To describe such complex strategies as simple control is to ignore the multi-faceted nature of workers’ relations with management in even the “simplest” situations.’\textsuperscript{50}

Likewise, Friedman’s dichotomy of ‘responsible autonomy’ and ‘direct control’ oversimplifies employer’s approaches to labour management. Welfarism is included as part of the ‘responsible autonomy’ strategy which emphasised the positive features of labour, particularly its malleability.\textsuperscript{51} Under this strategy workers are granted responsibility and status, supervision is minimised whilst loyalty towards the firm is encouraged by various devices including welfare benefits and the co-option of trade union leaders. Such an
approach is similar to what Fox calls ‘high-trust’ and has been described by Flanders as an attempt by management ‘to regain control by sharing it’.\textsuperscript{52}

However, in many cases welfarism was not associated with the other elements of ‘responsible autonomy’. While some company welfare schemes involved worker and union participation and consultation, this was rarely extended to the issues of wage fixation and working conditions. Indeed, far from involving co-operation with unions, companies often had a strong anti-union agenda in introducing the strategy. Further, welfarism was often introduced simultaneously with Friedman’s ‘direct control’ strategy. In this strategy, described as a ‘low trust’ approach by Fox, worker autonomy and responsibility is minimised and the role of supervisors increased. Thus, welfarism was sometimes an attempt to soften the impact of direct control.

Thus, within the framework utilised by Gospel and Wright, welfarism is primarily located in the ‘employment relations’ category, while at the same time having a significant impact on industrial relations. It could therefore influence worker attitudes towards the organisation of work, although it did not directly determine work relations. As is discussed later in this chapter, the central purpose of welfarism was the fostering of worker consent to managerial authority. Indeed, the above discussion demonstrates that the achievement of consent is a fundamental aspect of all strategies of control. However, the degree to which this was achieved through welfarism relied largely on the level of worker dependence on the company. While welfarism was designed to increase this dependency, factors beyond the workplace such as state intervention and collective worker organisation could have a significant impact on the effectiveness of the strategy.

\textbf{The Australian Context}

Littler has argued that there is a tendency to merge the cultures and histories of different countries and assume a theoretical perspective had universal applicability. Borrowing from Littler, this may be referred to as the ‘Amaus fallacy’ for Australia and the US.\textsuperscript{53} Australia may lag behind overseas developments in labour management, or not adopt them at all. Indeed, Australian industry has historically been smaller scale than that of the US and the UK, and unlike the US, unionism was consolidated before the rise of large corporations in Australia. State policy has also been highly interventionist in Australia relative to the US.
The above discussion highlights the role of the state in influencing the nature of the employment relationship and yet, until recently, this role has not been incorporated into labour process literature. Indeed, of the four most prominent labour process theorists, Braverman, Edwards, Friedman and Burawoy, only Burawoy provides a comprehensive role for the state. In *The Politics of Production* he noted two forms of state intervention which influenced class relations in the labour process and forced management to adopt new control strategies:

First, social insurance legislation guarantees the reproduction of labour power at a certain minimal level independent of participation in production. Moreover, such insurance effectively establishes a minimum wage (although this may also be legislatively enforced), constraining the use of payment by results. Piece rates can no longer be arbitrarily cut to extract greater effort for the same wage. Second, the state directly circumscribes the methods of managerial domination which exploit wage dependence. Compulsory trade union recognition, grievance machinery and collective bargaining protect workers from arbitrary firing, fining and wage reductions and thus further enhance the autonomy of the reproduction of labour power.  

The role of both the state and unions in shaping the development of the labour process is an area in which Australian research can significantly contribute to both the labour process and managerial strategy debates. Significant case studies have emerged within the Australian labour process literature in respect to the autonomy and role of the state. Lee, for example, argues that early Victorian wages boards allowed craft unions to attain a degree of protection from deskilling and preserve the position of skilled male workers against the onslaught of female and youth workers employed in industry around the turn of the century. While such gains were achieved in the face of opposition from employers, she notes that it also served the long-term interests of manufacturing companies, fostering the accumulation and concentration of capital in the hands of larger firms.

Bray and Rimmers’ study of the Sydney road transport industry during the same period examines the impact of arbitration upon managerial control strategies. While the regulation of working hours and the establishment of overtime penalty rates undermined the control strategies of management, at the same time the arbitration system placed limits on the union challenge to managerial prerogatives. Research by Nyland demonstrates how federal and state arbitration systems assisted in the dissemination and legitimisation of
scientific management at the end of the First World War, while Quinlan’s study of managerial strategy in the steel industry explores the way employers used the arbitration system to increase discipline and control the labour process. Quinlan’s research also demonstrates how intervention in the product market (through tariff protection) and labour market (through immigration policies) can be clearly linked with managerial control and strategies during this period.  

Wright’s research provides the most comprehensive study of the state’s influence on workplace labour management strategy in Australia. His work highlights the impact of the state on management practice, not only through the arbitration framework, but also through the involvement of government departments and state-owned enterprises. The former played a significant advisory and advocacy role to private industry, while the latter undertook a ‘lead-by-example’ role, particularly given the relative lack of large-scale private organisations in Australia and the dominance of the public sector. In each case, the state provided a significant degree of support for the adoption of modern labour management strategy by Australian industry, including welfarism.

Overall, Australian literature argues that state intervention has proved an important influence on the pattern of control within the labour process. However, as P.K. Edwards argued, the nature of the link between the state and the labour process is problematic on two accounts. First, the exact form of state intervention is subject to struggle between capital and labour, and between sections of both capital and labour. Thus, the outcome of such a struggle is unpredictable. Secondly, the impact of particular state interventions on relations within the labour process may also be unpredictable and depend on the outcome of struggles between the different groups involved.

As previously noted, KKM provided a framework for analysing the effect of different environments on management strategy. In general, they concluded that American managers have continued to view labour management in unitarist terms since the New Deal, despite the fact that public policy had been built around the pluralist framework. Indeed, they criticised Dunlop and other supporters of the systems approach for assuming a shared ideology following the New Deal legislation. ‘The conclusion that management had adopted and accepted unions as legitimate partners misinterpreted as a change in managerial preferences or ideology what was actually a pragmatic or strategic adoption to
the high costs of avoiding or dislodging established unions’. With environmental changes, managers were able to introduce the ‘new industrial relations’, which reflected a unitarist perspective.\(^{60}\) Further, the strategic choice model highlights how environmental factors, as well as the opposing and competing strategies of the other parties result in differences between intended strategy and realised strategy, and how they also result in the need for management to constantly reformulate its strategies, both issues of debate within management strategy literature in general.\(^{61}\)

While Wright dismissed the KKM model for lacking breadth, such conclusions highlight a number of issues in the Australian context. Using the framework established by Gospel to explore the history of labour management in Australia, Wright found that despite the system of compulsory arbitration and the interventionist policy of the state in Australia, most employers have historically viewed the management of employment, work and industrial relations in essentially unitarist terms. Within such a framework, Australian employers have constantly alternated between high and low-trust approaches to labour management at times adopting elements of both simultaneously within the same enterprise. This is indicative of the essentially complex and contradictory nature of capitalism discussed earlier in which, as Hyman has argued, ‘employers require workers to be both dependable and disposable.’\(^{62}\)

Further, while Australian employers have historically sought to maximise their control over labour cost and application and make such variables more predictable, Wright shows that changes in the broader environment of the firm including both economic and market pressures as well as political and institutional factors, have forced Australian employers to continually reassess their labour management strategies. Moreover, his findings also lend weight to the critics’ view of the deterministic and uni-linear approach adopted by Braverman. His research conclusively determined that changes in labour management strategy in Australia have not been unidirectional throughout history, but rather have been an ongoing recycling of previous control strategies, particularly since the 1980s.\(^{63}\)

Thus, the issues and contradictions associated with labour management and the control relationship are highlighted in the Australian context by Wright’s research. Further, his work, and that of other scholars, demonstrates that state intervention has had an
important influence on the pattern of control within the labour process in Australia. Of additional note is the passing of the Compulsory Conciliation and Arbitration Act in 1904 which provided legal recognition for trade unions. Indeed, the strength of unionism in Australia also influenced the labour control strategies adopted by management. A central goal of this thesis is to understand how these factors influenced the extent, incidence and character of welfarism in Australia. The remainder of this chapter examines the overseas literature on welfarism. This provides a framework against which Australian welfarism can be compared.

Welfarism

Definition

Popular overseas, particularly in the US, during the first three decades of the twentieth century, welfarism was a method of securing and legitimising managerial control over the workplace. The strategy was grounded in the unitarist ideological framework, promoting the belief that the best way to improve production and reduce conflict was to have the workers cooperate with management, and to do this they should be treated fairly and justly. How this idea manifested itself in practice, however, is problematic given the multitude of schemes that could be adopted. Indeed, attempts at comprehensive surveys of the range and content of benefits and services have led to a very loose understanding of the boundaries of welfarism, begging the question ‘what isn’t it?’

The Department of Labour in the US demonstrated the obscurity of the term when in 1919 it defined welfarism as:

Anything for the comfort and improvement, intellectual or social, of the employees, over and above wages paid, which is not a necessity of industry nor required by law.

That the definition is so vague has led to various interpretations amongst researchers, resulting in the inclusion and exclusion of different practices for analysis. Dorothea Proud, for example, defines welfare work as consisting of ‘voluntary efforts on the part of
employers to improve, within the existing industrial system, the conditions of employment in their factories.\textsuperscript{67} She states explicitly that this definition does not assume the nature of the motives for which the work is undertaken or stipulate that efforts that are not actually productive of the employee’s welfare should be excluded. However, activities that in some way modify the capitalist system such as profit sharing are excluded.

In direct contrast, Gitelman interprets the Department of Labour’s 1919 definition as excluding any expenditure that could be construed as necessary. Geographical isolation, for example, often made company housing a mandatory investment. Indeed, any activity that represented a strategic and economic response to work force recruitment and retention, or were the result of pressures emanating from the Government, or from union organising activity, cannot be construed as welfarism, according to Gitelman.\textsuperscript{68} Such exclusions, however, form the basis of studies conducted by other writers adopting the same definition. Indeed, it could be argued that Gitelman’s definition is unrealistic since management cannot be divorced from their environment, and indeed design labour control strategies to suit and adapt to this environment.

This confusion is compounded by the fact that management often introduced a combination of strategies at the same time. Often such strategies are ideologically akin, however the manifestations differ. One prominent example is the use of scientific management. Edwards asserts that the scientific management movement has been confused with the broader reorientation of management that occurred during the transition period, even though many parts of this reorientation, such as welfarism, had little or nothing to do with scientific management. Indeed, Brody attributes the intellectual sources and ideas behind welfarism to Taylor, although Edwards argues that there is little evidence of this other than Taylor’s own claims.\textsuperscript{69}

While the ideological aim of both welfarism and scientific management was to demonstrate and legitimise the importance of the managerial function, each differed on how to achieve this in practice. Scientific management sought to highlight the rare skills and knowledge held by the efficient manager by separating the design and execution of the work process. Welfarism on the other hand, sought to convince workers and greater society of managements’ concern for the social, mental and emotional welfare of those in their care.
Despite such differences, in the instance that both strategies were introduced simultaneously within the same workplace, the distinction between the two potentially became blurred. As Eklund notes, the intricacies of the relationship between scientific management and welfarism remain ambiguous in the literature, partly because of the way companies applied ideas from both strategies in an ad hoc fashion, and also because of the confusion between the management techniques that were proposed by management theorists and those that actually operated at different workplaces. He concludes that ‘The implications of collapsing distinct labour management strategies like welfarism and Taylorism into the one broad term of scientific management would be to create an amorphous, less precise conceptual framework to apply to any field of enquiry. The undoubted links between various strategies…can still be acknowledged without losing the valuable conceptual tools they offer.’

A further strategy often introduced alongside welfarism was employee representation. For some commentators, employee representation constituted a major part of welfarism, particularly after World War One. Others, however, see the two strategies as distinct. In line with Proud’s definition, employee representation is viewed as a modification of the existing system since it is purported to change existing power relations at the workplace by giving the worker a voice. In practice, however, evidence suggests that employee representation did little to change the distribution of power within the enterprise, and therefore has more in common with welfarism than the normative model of employee representation would suggest. Indeed, Edwards attributes the failure of welfarism to the fact that it did not deal with the fundamental issue of power within the firm. However, writers do not explain why they include or exclude employee representation from analysis.

The dual usage of the term ‘welfare’ is a further source of discrepancy in the literature. As Proud noted in 1916, it could be used as a vague term to describe the gradual development of ideas and practices throughout history. Alternatively, the name Welfare Work, could be formally adopted to describe a conscious movement in the industrial world. Commentators such as Gitelman agree with the former assessment of the term, arguing that welfare work has been a continuous feature of American industrial life since the appearance of the first factories. Indeed, many activities characterised as welfare work had their origins in the paternalistic practices of employers during the nineteenth century,
particularly in cotton mills and other industries such as retail and watch making. Gitelman argues that it was simply not until the 1880s that these activities were brought regularly and purposefully to the attention of the public. Similarly, the change in terminology in America from welfare to personnel work after the depression years does not signify an end to welfarism, but rather a re-labelling of the same thing (similar to the current debate over the shift from personnel management to HRM). Thus, according to this view, there was no rise and decline of welfarism. Rather, it has been an ongoing development of ideas and practices from the beginning of the factory system to the present day.75

The majority of overseas writers, however, support the view that the first three decades of the twentieth century represented something quite distinct from what had occurred previously, particularly in the US. Welfare schemes of the twentieth century were less personal, more bureaucratic and systematic, and covered a larger number of dispersed operating units than the traditional paternalistic firm. Supporting this view, Nelson has argued that paternalism sometimes deterred the adoption of welfarism, since firms relied on informal provisions rather than introducing formal plans.76 Further, while several innovative employers were experimenting with systematic welfarism during the nineteenth century, it only became institutionally significant in the US around the turn of the century. Thus, welfarism did not simply ‘happen’ around the turn of the century. As Littler notes, all processes of institutionalisation and diffusion take time.77 Such processes ultimately transformed welfare work into a vigorous, influential movement in the US during the early decades of the twentieth century.

In the US, the movement was labelled ‘Welfare Capitalism’, while in Australia ‘welfarism’ was more commonly used. Several basic indicators demonstrate that it was a growing movement in the US around the turn of the century. Many books and articles appeared, along with travelling exhibits that carried the word to state and world fairs, among other places. This welfare network also included the frequent exchange among companies of welfare professionals.78

More organised mechanisms for the dissemination of information and propaganda were also apparent both inside and outside industry. Regional and national organisations promoting the cause of welfare work appeared. Perhaps the most important organisation was the Welfare Department of the National Civic Federation. This department furnished
descriptions of the ‘best’ practices, operated an employment service for welfare secretaries, and supplied consultants to members. It published a quarterly journal, pamphlets and articles. Other important organisations were the League for Social Service which also published a quarterly journal, articles and a book, as well as ‘a weekly letter service to industrial subscribers’, and the Cleveland Chamber of Commerce. In addition, both state and federal governments helped to promote welfarism. The Bureau of Labor Statistics conducted full-scale studies of employers’ welfare practices in 1900, 1913, 1919 and 1926. Further, a number of Government officials offered outright support for welfarism. This included the appropriation of funds for various endeavours, and their involvement in and/or creation of committees for the advancement of welfare work in US industry. Such support was particular evident during World War One. 

Welfare work was further institutionalised and professionalised through the emergence of the welfare secretary. During this period, welfare work gradually became an area that required expertise and special competence. According to Jacoby, welfare workers used social work as a model of how paternalism could be fused with professionalism, developing systematic methods for identifying and remedying employee problems. They took university courses similar to those studies by social workers such as domestic science, psychology and sociology. Despite the fact that welfare secretaries were rarely on equal footing with the firm’s other major divisions, they nonetheless undertook a distinctive role within the company. Jacoby and other writers such as Nelson argue that welfare work created the organisational precedent for the personnel management movement. As Jacoby states,

Labour management was becoming the province of the specialist, and labor-related policy was becoming an object of rational administration. The creation of welfare departments marked the beginning of an effort to develop employment policies which were not subordinate to the firms short-run emphasis on production and which recognised the value of maintaining employee morale.

However in referring to welfarism as a ‘movement in the industrial world’, writers such as Proud do not account for differing national contexts. As Littler notes, there is a tendency to merge the cultures and histories of different countries ‘and attempt to draw sociological
conclusions on the basis of this unrecognised conflation'. It was for this reason that Littler argues Taylorism ‘hangs suspended in an historical vacuum’ in British industrial history. While Taylorism was significant in the US pre-1914, its heyday in Britain was not until the inter-war years. Similarly in Australia, due to various economic and market, and political and institutional factors, overseas ideas may take longer to be institutionalised, and may assume a different shape and character than in the US. Thus a comparison of welfarism across countries needs to account for the cultural lag since, as Littler notes, ignoring it is ‘only at the cost of not locating ideas and idea-systems within any social space.’

Goals and Strategy
As a concept, ‘welfare’ suggests benevolence, a desire to do good for others. Indeed, among the goals of some welfarist employers was pure altruism. These employers were motivated largely by a paternalistic sense of duty and a Christian belief that great wealth carried great responsibility. As John D Rockefeller Jr proposed, it was the ‘duty of everyone entrusted with industrial leadership to do all in his power to improve the conditions under which men work and live.’ Thus, welfare work was considered an end in itself, prompted largely by humanitarian considerations over the bleakness of industrial life. In addition to the paternalists, liberals also sought to benefit employees through their welfare schemes. They viewed the prevailing employment standards of their day as unacceptably low, and by introducing higher standards, whether of their own origination or borrowed, they hoped to set an example that other employers would emulate. While the liberals were profit seekers, they were humanisers and harmonisers as well.

For the majority of employers, however, the provision of benefits and services had an extended role in industrial society. According to Melling, it was ‘with the supply and efficiency of labour that management was primarily concerned in the establishment of welfare schemes, seeking to create and regulate a pool of willing workers.’ Thus, in terms of supply, welfarism was designed to improve the quality and quantity of a company’s labour stock. In dealing with efficiency, McCallum argues that employers wanted to ensure that the labour power they purchased was converted into the productive and efficient labour that was the source of their profits. To achieve this, they aimed to gain control over production and personnel decisions in the workplace, and to maintain that control in the
face of attempts at resistance or regulation by individual workers, unions, and governments.\textsuperscript{88} Thus, welfarism aimed to improve labour supply and increase industrial efficiency. However, it also sustained a power system that granted management full authority over the terms of employment.

For some employers, the provision of welfare embodied no more than a belief that man works better and harder if tended with care. As Fox explains, this belief merged with what later became known as industrial psychology and the view of the worker as a machine needing careful study to establish the optimum conditions of its physical environment.\textsuperscript{89} Linked to this was the idea that, freed from anxiety over accident and illness, old age and unemployment, men would work with better will. Welfare activities were also seen as having a direct effect on labour costs – lowering compensation costs, reducing the time lost due to sickness, a longer working life for employees. The attraction and retention of labour, particularly in remote areas or in periods of labour shortage, were additional goals of welfarism. In absence of such market conditions, as Melling has shown, welfarism could be used in the same way to increase managerial authority and attract skilled workers through the creation and domination of local labour markets.\textsuperscript{90}

In a somewhat more manipulative stance, some employers attempted to shape employees in order to achieve their goals. According to writers such as Jacoby and Brandes, this was the ultimate goal of welfarism; the ‘uplifting’ of the worker. At times the motive was unalloyed humanitarianism. Indeed, ‘uplift’ was the late 19th century term used to characterise the efforts of paternalists. However, for the majority of employers, such paternal reasoning was not acceptable. These employers insisted on the profitability of advancing the material, mental, moral, and spiritual well-being of the worker. This reasoning was rooted in the belief that it was the worker who was directly responsible for labour unrest, social tension and inefficiency. Welfarism could countermand the labourer’s evil tendencies - ignorance, slovenliness, laziness, and insobriety (the causes of inefficiency), extravagance (the basis of wage demands), and disloyalty (the root of labour turnover, militancy and unionism). The idea was that welfarism could be used to remould the worker into a thrifty, clean, temperate, intelligent, industrious and loyal person, in short, an improved working man.\textsuperscript{91}
Welfarism also placed a great deal of emphasis on the family. This stemmed from the belief that the root cause of industrial unrest was the disruption of family life, caused by the influx of women and children into the factories in the early twentieth century. The answer was the factory and home beautification movement. Companies sought to turn the workplace into a replica of the ideal middle-class home, for example, placing potted plants around the factories interior and landscaping its grounds. They also looked to improving the home life of workers in order to reduce their revolutionary tendencies. Some factories organised classes to teach sewing and cooking to the wives and daughters of workers. Much emphasis was placed on children, the idea two-fold. Firstly, children were more pliable than adults, not stuck in their ways. Secondly, parents were often more willing to learn a change in ways from their children, rather than a stranger. There are thus examples of companies establishing schemes such as ‘little mothers’ clubs where girls learned first aid, sanitation, hygiene and infant care.  

At another level, welfarism sought to evoke a sense of family within the firm itself. In this way, employers attempted to reproduce the close personal ties of the nineteenth-century workplace, before firms grew too large and impersonal. According to Jacoby, many employers believed that labour relations had been less adversial in the entrepreneurial firm, where there existed personal relation and a feeling of mutuality of interest. Fox extends this argument, emphasising that welfarism stemmed from the search for a renewal of the reciprocal, diffuse bonds of obligation and loyalty believed to characterise earlier patterns of work organisation. As Fox explains, ‘If the employer manifested a concern for the interests and well-being of the employee - a concern for his physical, social and cultural welfare - would not the employee reciprocate with concern for the interests of the employer.’ The employee, it was argued, would be convinced of the genuine concern of the employer, and respond by offering willing compliance, involvement and loyalty to the employer. Employees would work co-operatively and harmoniously to increase the efficiency of the organisation, and would not turn to unions or resort to industrial conflict.

Welfarism could also increase managerial control by creating worker dependency. This is most obvious in geographically isolated industries, where employers created company towns, providing for all the workers needs from housing to schools, churches and recreation. Here the dual character of welfarism is clear. On the one hand, welfarism dealt
with the economic necessity of attracting a stable workforce to such areas. On the other hand, the workers depended on the company for all life’s necessities. This reinforced the company’s dominance, making it more difficult for workers to challenge unilateral management decision. In addition, because the company owned the town and wrote its laws, it could increase social control by, for instance, making large demonstrations illegal, or forcibly removing organisers from the area.\textsuperscript{95}

In urban areas too, labour could be retained and controlled by way of dependency. For example, housing leases often required workers who joined strikes to vacate company housing immediately. Provident scheme rules often reserved benefits for those who refused to take part in strikes. The regulations of pension schemes sometimes reserved benefits for those workers who refused to join a union and avoided taking part in strikes, and nearly always had a clause making a long period of service necessary for eligibility.\textsuperscript{96} Thus, such eligibility clauses were aimed at binding the workers to the company by creating stronger dependence on essential services, particularly where alternative services were unavailable.

Welfarism was also used as a public relations device to build the company’s image. As Brandes explains, ‘While the businessman was not eager to be seen as Santa Claus, he was well aware that the public was more often inclined to view him as Scrooge and he used welfare to help correct that image’.\textsuperscript{97} This was aimed essentially at defending the power and independence of business. A sympathetic public could help undermine political support for antitrust litigation or restrictive legislation. Indeed, Margaret McCallum has argued that the prevention of government regulation was an important aim of welfarist employers in Canada. ‘In providing employee benefits or creating industrial councils, employers wanted to forestall recognition of workers’ rights through legislation compelling payment of a minimum wage, employer contributions to wage-replacement plans during periods of sickness or unemployment, the eight-hour day, or union recognition.’ While the majority of employees in Canada were not the recipients of any form of company welfare, the existence of a few well-publicised plans helped to reduce public pressure for these laws.\textsuperscript{98}

Further, public sympathy could often determine the outcome of a strike. As Brandes asserts, this also meant ‘that readings of the public sentiment could determine company and union strategy, including the question of whether there would be a strike at all.’\textsuperscript{99} McCallum also notes that employers in Canada ‘congratulated themselves of their
initiatives, which enabled them to “face…industrial unrest with more confidence”.

Overall, Brandes argues that ‘Through welfarism, businessmen hoped to convince the public and their employees that the system which granted them such a large share of influence was legitimate and viable’ since it placed them in a position to better the lives of their workers.

Nevertheless, the public relations attempts of employers may have amounted to nothing more than a form of advertisement. In the Australian context, Reekie points out that in the retail industry, a ‘consumer conscience’ may disrupt sales if the company had a bad image. She also notes of welfarism, ‘the new approach to labour relations functioned most effectively as a form of store publicity which promoted the big stores as progressive, enlightened and humanitarian institutions in which the consumer would have no qualms in parting with her money’.

As the Australian Council of Science and Industry noted in a 1919 bulletin, ‘A firm may get a good name amongst consumers because of the way it treats its employees. There is such a thing as a “consumer’s conscience,” and this conscience, especially when fostered by Consumers Leagues and “white lists,” leads to preference being given to articles produced under good working conditions.’

Apart from preventing the introduction of restrictive legislation, welfarism could also be used to undermine the effects of such legislation if passed. For example, as noted by the US National Safety Council, the industrial safety movement only began after ‘workmen’s compensation laws transferred the burden of industrial accidents from the workman to the industry.’ While at times the legislation had the desired affect - decreasing the number of accidents and therefore achieving the objectives of the legislation - in other cases accident benefits programs required workers receiving benefits to sign waivers releasing the company from legal liability for the accident.

Another dimension of the welfare strategy adopted by various companies is the breadth of arrangements governing participation in and administration of the schemes. Some welfare programs, and within programs some individual activities were voluntary, while participation in others was compulsory. The employer financed some activities while others required employee contributions. In some cases the activities were administered by the workers, while in others they shared responsibility with welfare officers or had no
control at all. Some activities were managed in-house while others were subcontracted to outside agencies such as the Young Men’s Christian Association (YMCA). Some schemes were designed exclusively for certain groups of workers such as women or skilled workers, and some for all employees. In the US, according to Gitelman, programs for black employees were conducted apart from those involving whites, and schemes for white-collar workers were almost always separate from those involving production workers. Certain activities encouraged the participation of workers families while others excluded them. Some programs focussed solely on working conditions while others sought to influence home-life and off the job behaviour as well.\textsuperscript{107}

The arrangements adopted reflect the goals associated with the scheme. In terms of participation, Melling explains that in the British engineering industry, in designing welfare schemes, the groups catered for and the purpose in sight were more important considerations than the type of service available. After experimenting with general schemes with little effect, attention turned to employees most vulnerable to additional benef its. In the case of this industry, women, apprentices and supervisory or technical staff offered the best prospects of weakening trade union regulation in the labour market, this being the primary aim of the employers.\textsuperscript{108} Other cases concur with this analysis. Jacoby argues that quasi-pecuniary incentives, including profit-sharing, pension, and home ownership plans were primarily intended to deter strikes and union - phenomena that did not usually involve the unskilled. In addition, while unskilled labour was available in abundance, particularly during the period of open immigration, skilled craftsmen were sometimes hard to find and retain. Consequently, most of these schemes excluded unskilled workers either directly or by limiting eligibility to long-service employees who had contributed money to the plan.\textsuperscript{109}

The restriction of certain benefits to white-collar employees is linked to the overall goal of labour control strategies – the legitimisation of managerial authority. The justification of differential rewards, benefits and/or services lies in the rare skills and knowledge held by different groups of employees. Moreover, by offering certain benefits and services to some groups of blue-collar workers while excluding others could be related to the earlier discussion on fragmentation, in that such a strategy minimises collective worker action and culture and increases dependency. In the US, such distinctions were not only made in terms of colour and ethnicity, but also occurred between male and female
production workers. The period of service was also an issue affecting dependency as mentioned above.

The decision as to whether to make a particular scheme contributory or not at times was often a matter of economic cost. For example, McCallum demonstrates how non-contributory pensions and group life insurance plans in Canada did not bring employers the expected returns. A study of 500 pension plans in US industry supported these findings, noting that employers had expected to pay for pensions through hiring more productive younger workers at less pay. However, pensions cost more than the company saved. This study concluded that employees should contribute to their own pension and, in return, the employer would have to guarantee the return of the employee’s contributions with interest if they did not qualify for a pension.

Apart from financial issues, contributory plans also appealed to employers eager to avoid the stigma of benevolence attached to many welfare schemes. Indeed, most employers denied any trace of altruism or philanthropy in welfare practices, asserting that the strategy purely made good business sense. As Brandes notes, some US employers ‘even charged money for the services to prove that welfare was a hard business proposition whose results were to be measured, as they emphasized and reemphasized, in “dollars and cents”.’

In terms of administration, Nelson argues that, with few exceptions, manufacturers agreed that they should control and direct the welfare schemes. Nelson suggests several reasons for retaining control. Firstly, employers introduced welfare schemes for specific purposes and thus sought to insure that their objectives were realised. Secondly, they feared that agitators and trade unionists would capture the clubs and insurance societies. Finally, they often introduced welfare work to aid people who were considered incapable of intelligent decision-making. Women were often grouped into this category. However, other employers allowed the workers to administer the funds themselves on the premise that they would better understand the problems of management.

A second decision for those employers who administered in-house plans was whether to hire a welfare secretary or not. The introduction and management of welfare programs often involved new administrative burdens for the employer and management. On the one hand, welfare work was supposed to restore the old personal relationships of the
pre-industrial factory. On the other hand, many employers did not have the time or inclination to assume the additional responsibility, and thus hired a welfare secretary.115

In summary, welfarism was designed to build worker ‘consent’ to managerial authority. This could be achieved through subtle methods aimed at boosting the morale and loyalty of workers. Alternatively, welfarism could create a situation of worker dependency on the company, thereby reducing their ability to challenge the unilateral decisions of management. Apart from minimising individual resistance to managerial authority, the US literature emphasises the anti-union agenda of most welfare schemes. An important indicator of this, according to Brandes, was the parallel expansion and contraction of welfare and union activities – the popularity of welfarism rose and fell correspondingly with unionism. As Brandes notes, ‘Businessmen in fact frequently measured the effectiveness and value of welfare work in terms of its ability to prevent strikes.’116 The threat of government interference was also an important motive for welfarism in the US and Canada. Thus, the ultimate goal of welfarism was the reinforcement of managerial prerogative, and of retaining this in the face of internal and external challenges.

success

The success of welfarism as a method of labour management is a hotly debated issue within the US literature. On the one hand, Brody argues that if not for the effects of the Great Depression welfarism would have continued to characterise labour management in the US indefinitely.117 Critical of this view, Brandes suggests that in general, workers did not ‘genuinely embrace’ welfarism and that its demise was inevitable as worker consciousness progressed in the US.118 Zahavi has more recently criticised both views as missing the ‘complex ways in which workers translated and transformed managerial projections, in the form of welfare ideology and practices, for their own ends.’119 He argues that welfarism reflected a system of ‘negotiated loyalty’. All three views demonstrate the functions and shortcomings of welfarism.

Brody criticises scholars for interpreting welfarism as ‘a passing and aberrant phase of American industrialism’. He argues that it ‘is comforting to think that welfare capitalism never was a success, never persuaded workingmen that they were best off as wards of the employer, and never took deep root in the American industrial order’.120 Rather, according
to Brody, evidence suggests that in the 1920s welfarism had succeeded in winning the hearts and minds of the majority of workers, and if the Great Depression had not occurred, this support would have continued unabated. His argument rests on certain indicators of contentment in this period, including the rapid decline in unionism during the 1920s, the drop in the incidence of strikes relative to the previous decade, as well as a much lower rate of labour turnover. The Depression, however, had a severe impact on welfarism by forcing managers to take extreme cost-cutting measures that undermined workers confidence in the strategy.\footnote{121}

Nelson too does not completely dismiss the idea that some workers held ‘a certain affection’ for welfarism. As part of a broad effort by management to increase their control over production and the factory workforce, Nelson views the welfare movement as a generally successful effort. However, he also recognises that there is evidence to suggest that employees resented welfarism or considered it demeaning. Likewise, manufacturers often acknowledged that welfarism did not automatically insure against strikes, and, in fact, could rather provoke trouble if carried too far. Nelson concludes that American workers accepted the programs without great enthusiasm or significant objection. Consequently both proponents and critics of welfarism were able to find abundant evidence to support their view. ‘In the last analysis’, Nelson argues, ‘welfare work probably had a greater impact on the evolution of business administration than on the workers’ attitude toward his supervisor, the firm, or his obligations to his employers.’ Welfarism represented the seed that, under wartime conditions, would grow into the personnel management movement of the post-War period.\footnote{122}

Brandes, however, argues that there is sufficient data available to make Brody’s theory seem implausible. While admitting that some workers appreciated welfare programs and to that extent welfarism was successful in combating unions, Brandes argues that many workers found welfarism distasteful. He asserts that the correlation between violence and welfarism is a sign of this, citing several violent labour disputes involving welfare companies, such as the Pullman strike of 1894, as evidence.\footnote{123} A further indicator, according to Brandes and Jacoby, was the occasional recordings of workers who often complained that the money spent on welfare work would have been more appreciated in their pay envelopes\footnote{124} and that it was a demeaning intrusion into their private lives.\footnote{125}
Indeed, welfarism was premised on fundamentally unequal economic relations. When employers offered services such as meals, housing, medical care, and recreation, they did so under the assumption that employees could not provide them for themselves. The condescending and paternalist aspects of the strategy were of no consequence if the workers accepted this view of their social status. However, as Brandes contends, employees usually preferred to take charge of their own lives, and when they accepted the welfare of their employers, they implicitly exposed a weakness. While not so insulting as to provoke outright resistance by workers in the US, Brandes argues that this aspect of welfare capitalism ‘was enough to induce most employees to remain cool toward the whole system’. As a whole, he argues, workers in the US were more likely to respond passively or negatively to welfarism rather than to embrace it openly.

Edwards also rejects the view that welfarism was a successful strategy, arguing that it failed in the years prior to the Depression because it did not deal with the fundamental issue of power within the firm; ‘To reorient the workers’ allegiance from their peers to the corporation, capitalists needed something that reformed relations in the workplace itself. For this, welfarism was too peripheral to be effective.’ Similarly, Fox argues that welfare schemes could not reproduce the diffuse high-trust relationship that had traditionally developed between master and man as they worked alongside each other for a common purpose. Welfarism, according to Fox, was ‘an afterthought grafted on to the steely outlines of the modern bureaucratic work structure, within which rank-and-file employees, pursuing their highly subdivided, low-discretion roles, were subjected to elaborate mechanisms of supervision, inspection and control; were far removed from the centres of power, responsibility and important decision-making; and were conscious of being used for other men’s purposes which they had no share in formulating’. As a result, while a company’s welfare policy could assist in the retention of employees, it was unlikely to increase ‘the intensity of commitment with which workers applied themselves to their anonymous, fragmented daily work routines.’

Indeed, by suggesting that welfarism was successful in winning the commitment and loyalty of workers, Brody differentiates himself from the majority of scholars who emphasise the intrinsic failure of welfarism. According to Brandes, most students of American welfare capitalism argue that its main function was ‘to perpetuate a system of
labor-management relations in which the distribution of power - and thus rewards - was uneven.'\textsuperscript{131} Thus, they argue, since the inadequacies and inequities of welfarism were so great, they must have been obvious. When workers were given a clear opportunity to shun welfarism in favour of unionism, as they were during the New Deal, they did so, opting for industrial democracy. This apparently heralded the way for a new, pluralistic system of industrial relations, as employers were forced to accept the legitimacy of unions and to negotiate the terms and conditions of the employment relationship with them.\textsuperscript{132}

As noted previously, writers such as KKM are critical of this view, arguing that American employers maintained a unitarist view of labour management, despite the pluralist framework in which they were required to operate. With the changing environment, American employers were able to transform industrial relations to reflect, yet again, a unitarist perspective. A recent publication by Jacoby provides a similar argument in terms of welfarism. He argues that welfare capitalism did not die in the 1930s in America, ‘but instead went underground – out of the public eye and beyond academic scrutiny – where it would reshape itself.’\textsuperscript{133} In response to the shift in public policy towards collective bargaining and state welfare under the New Deal, Jacoby argues that welfare capitalism was gradually modernised by a number of firms that had escaped unionisation and the Depression. Modern welfare capitalism, as it emerged between the 1930s and 1960s, was, according to Jacoby, ‘a kinder, gentler sort of paternalism’ in which the emphasis shifted from control to consent. While coercion did not disappear, companies had to rely on persuasion to carry more of the load. ‘Thus, modern welfare capitalism was controlling yet consensual, coldly efficient yet cosily humane’.\textsuperscript{134}

Jacoby argues that a scholarly blind spot emerged as a result of the shift in public policy after the New Deal. The focus of research turned to collective bargaining and trade unionism and, as a result, the erroneous impression that organised labour had achieved greater stability and acceptability than was actually the case emerged in the literature. According to Jacoby, pluralism did not have deep roots in management circles, even during the 1940s through 1960s, the period of its purported hegemony. Rather, he argues, the vast majority of managers, although demoralised by the New Deal, eventually regained their confidence and took aggressive steps to contain unions. Initially modern welfare capitalism was confined to a minority of large non-union companies. In organised workplaces, unions
either resisted the introduction of welfarism or sought to control it and assume credit for it. Smaller, non-union employers were either sceptical of welfarism, or lacked the resources to introduce it. However, economic and societal changes in the 1960s and 1970s prompted the rapid spread of the movement. The decline of organised labour was an important factor in this development. Furthermore, the emphasis of modern welfare capitalism on commitment ‘proved well suited to managing college-educated workers, who were fast becoming dominant in the labour force, and it meshed neatly with the participative principles that were supplanting traditional Taylorist approaches to work organization. Thus modern welfare capitalism was transformed into the “new” non-union model of today’.135

Jacoby’s argument contains significant similarities to that of Wright’s in the Australian context. As noted earlier, based on comprehensive research, Wright concludes that, despite the pluralist nature of industrial relations in Australia throughout the twentieth century, most employers have viewed the management of labour in essentially unitarist terms.136 Further, Wright argues that there is significant evidence to suggest that Australian employers have adopted a cyclical rather than evolutionary or developmental approach to the management of their employees. Of note, recent ‘attempts to promote a common-interest culture through the provision of superior amenities and corporate propaganda clearly mimic earlier strategies of company welfarism.’137 This is but one example challenging the view of many contemporary writers that the rise of HRM in the 1980s heralded something new in labour management in Australia. Jacoby’s argument lends weight to the idea that such misleading contentions are not limited to Australian literature. As he argues:

Pundits tell us we are living in a postmodern age in which the institutions that fuelled America’s postwar prosperity – mass production, labour unions, and the Keynesian welfare state – have been replaced by a new set of sensibilities: postindustrial, decentralized, and privatised. If one measures present circumstances against the activism of the New Deal or the optimism of the 1960s, it is easy to conclude that we have entered a new age that breaks with the past. But if one looks back beyond the Great Depression, other interpretive possibilities arise, and the present seems less like a break than a rerun’.138
Thus, the success of welfarism in building worker ‘consent’ to managerial authority is the focus of debate in the US literature. While Brody argues that the demise of welfarism resulted ‘from an extraordinary turn in the business cycle,’\textsuperscript{139} the majority of writers emphasise the inherent flaws in the strategy. Further, while it is generally argued that the Depression and the challenges of the New Deal led to the demise of welfare capitalism in the US, Jacoby is critical of this view. Rather, he contends that some non-union employers reshaped welfare capitalism to fit modern realities, and that changes in the economic and industrial context during the 1960s and 1970s saw the re-emergence of the movement on a wide-scale. This view lends weight to arguments of the cyclical nature of labour management. Nevertheless, despite debate over the rise and decline of welfare capitalism in the US, in common with all scholars is that the success of welfarism was ultimately measured by its ability to combat unionism.

**Conclusion**

This chapter has outlined the various debates over labour management strategy and the control relationship, and provided a review of the overseas literature on industrial welfarism. As Melling argues, it was with the supply and efficiency of labour that management was primarily concerned in the establishment of welfare schemes.\textsuperscript{140} In terms of supply, the goal was to improve the quantity and quality of the company’s labour stock. In dealing with efficiency, management wanted to convert labour power (the potential to work) into labour (actual work effort). As noted earlier, this is viewed as the central focus of management strategy by writers from the labour process tradition. The welfarism literature also emphasises the role of welfare schemes in enhancing managerial control of the labour process, but also of maintaining this control in the face of attempts at resistance or regulation by individual workers, unions, and governments. In other words, welfarism is primarily viewed as a method of reinforcing managerial prerogative over production and personnel decisions at the workplace.

The principal way in which welfarism achieved this was by building worker consent to managerial authority. Indeed, as Littler and Salaman note, the achievement of consent is a fundamental aspect of all strategies of control.\textsuperscript{141} While the goal of management is to
extract the optimum work effort from labour, workers retain the ability to individually or collectively resist managerial dictates. Welfarism attempted to reduce this tendency through subtle methods aimed at boosting the morale and loyalty of workers. However, as the literature demonstrates, the strategy was also designed to build ‘consent’ by increasing the dependency of workers on the company. On the one hand this highlights the dual nature of the control relationship. As Bray and Littler note, while management relies on the productive effort of workers to achieve organisational efficiency, workers depend on the continued viability of the business for their livelihood. \(^{142}\) By providing economic security for workers and their families in the case of illness, old age, and death, welfarism was designed to increase workers’ consciousness of their stake in the success of the business. However, welfare benefits and services could also increase worker dependency on their continued employment with the company. In this way, the threat of dismissal for inefficiency or militancy was heightened, again reinforcing managerial prerogative.

Dependency is a crucial dimension of the achievement of control of the labour process. As Littler and Salaman contend, dependency is determined by two broad factors - the capacity of workers to organise in opposition to employers, and alternative sources of need-satisfaction. \(^{143}\) The debate over the decline of welfarism in the US demonstrates the significance of both factors. While writers differ on the degree of worker acceptance of welfare capitalism, the majority believe that welfarism was not compatible with the collective bargaining and state welfare provisions of the New Deal. Nevertheless, Jacoby argues that a number of welfare capitalists were able to maintain their non-union status during the heyday of organised labour in the US.

This debate has important connotations for welfarism in Australia. Between 1890 and 1965, relative to the US, Australian employers operated in a context of high state intervention and strong collective worker organisation. This thesis therefore seeks to understand the motives of Australian employers in introducing welfare schemes, and the influence that economic, political and institutional factors had on the extent, incidence and character of welfarism in Australia. Given the cyclical nature of labour management practice, this thesis should also contribute to the debates surrounding the ‘new’ unitarist approach to labour management of recent years.
There are variations on the term ‘welfarism’. In the US, ‘Welfare Capitalism’ is the dominant terminology. ‘Industrial Betterment’ and ‘Welfare Work’ are other terms used to denote the strategy. For the purposes of this thesis, ‘welfarism’ is used to represent all variations.

6 ibid, p.553.
10 Wright, Management of Labour, p.3.
12 Burawoy, Labour and Monopoly Capital, p.87.
13 C. Wright, Taylorism Reconsidered: The Impact of Scientific Management within the Australian Workplace, Industrial Relations Working Papers, School of Industrial Relations and Organisational Behaviour, University of NSW, June 1992.
17 ibid, p.553.
18 Wright, The Management of Labour, p.xi.
20 ibid, p.558.
21 ibid, p.558.
22 ibid, p.559.
23 ibid, p.559. For Chandler and his colleagues, the development of modern corporations can be satisfactorily explained without considering labour issues. The focus is on the long-term and strategic investment decisions of senior managers.
29 Wright, *The Management of Labour*, p. 3.
33 ibid, p. 567.
34 Littler and Salaman, ‘Bravermania and Beyond’, p. 263.
40 ibid, p. 262.
41 ibid, p. 262.
42 ibid, p. 261.
47 Such distinctions have been developed in Britain by H. Gospel, *Markets, Firms and the Management of Labour in Modern Britain*, and in Australia by Wright, *The Management of Labour; The Rise of Modern Labour Management*.
49 ibid, pp. 4-5.
53 Patmore, *Australian Labour History*, p. 135. Littler refers to the “Ambrit Fallacy” as the continual tendency to fuse the history and culture of two very different societies, namely America and Britain, Littler, *The Development of the Labour Process in Capitalist Societies*, p. 50.

44


71 See, for example, Brandes, *American Welfare Capitalism*.

72 See, for example, Jacoby, *Employing Bureaucracy*.


80 Jacoby, *Employing Bureaucracy*, p.64.


82 ibid, p.91.

83 ibid, p.50.

84 cited in ibid, p.51.


94 Fox, *Man Mismanagement*, p.57.

95 Jacoby, *Employing Bureaucracy*, p.54; McCallum, ‘Corporate Welfarism in Canada’, p.49.


98 McCallum, ‘Corporate Welfarism in Canada’, p.50 & 74.


100 McCallum, ‘Corporate Welfarism in Canada’, p.74.


103 ibid, p.19.


Jacoby, Employing Bureaucracy, p.53.


McCallum, ‘Corporate Welfarism in Canada’, p.53.

ibid, p.53; Brandes, American Welfare Capitalism, p.31.

Brandes, American Welfare Capitalism, p.31.


ibid, p.119.

Brandes, American Welfare Capitalism, p.32.

Brody, Workers in Industrial America, chapter 2.

Brandes, American Welfare Capitalism, chapter 14.


Brody, Workers in Industrial America, p.78.

ibid, chapter 2.

Nelson, Managers and Workers, pp.120-121.


ibid, p.138; Jacoby, Employing Bureaucracy, p.55.

Jacoby, Employing Bureaucracy, p.55.

Fox, Man Mismanagement, p.58.

Brandes, American Welfare Capitalism, pp.140-141.

ibid, p.139.

Edwards, Contested Terrain, 97.

Fox, Man Mismanagement, p.59.


ibid, p.136.

Jacoby, Modern Manors, p.5.

ibid, pp.5-6.

ibid, pp. 6-9.

Wright, Management of Labour, p.5.

ibid, p.214.

Jacoby, Modern Manors, p.9.

Brody, Workers in Industrial America, p.78.


Littler and Salaman, ‘Bravermania and Beyond’, p.263.


CHAPTER THREE

Overview of Welfarism in Australia

This chapter provides a general overview of the welfarism movement in Australia. There is difficulty determining the exact chronology of the rise and decline of Australian welfarism. However, a number of indicators suggest that the movement arose around the turn of the century and peaked in the immediate post-World War Two period. While welfarism was subsequently subsumed by the increasing formalisation of personnel management, the provision of traditional welfare benefits and services remained an important element of personnel practice for a number of years. However, legislative, industrial and social developments had, by the mid-1960s, reduced the value of many provisions as a method of labour control. Several factors, including overseas influences and state advocacy, are recognised as having aided the spread of welfarism in Australia, although at no stage did the movement reach the heights experienced in the US. Various economic, political and institutional features of the Australian context are identified as having limited its widespread adoption in Australian industry.

Australia before 1890

Context

Prior to the turn of the century, Australian industry was generally small scale. Despite a period of economic growth spurred by the gold rushes of the 1850s, the Australian economy depended heavily on Britain, exporting primary products in return for British manufactured imports. As a result, it was the pastoral and mining sectors that sustained the ‘long boom’ up to 1890. The increase in population during this period resulted in the growth of cities and hence the expansion of the building and construction industries. It also enabled state employment through government public works such as the construction of railways, roads, government buildings, and water supply and sewers.
However, the manufacturing industry was limited to the small-scale production of simple consumer products, building materials, and some metal fabrication.¹

Nevertheless, there were a few large-scale employers in the engineering and coal mining industries, and in government services. In Sydney, the engineering firm P.N Russell employed 300 to 400 workers by the later 1860s, and Mort’s Dock had 1000 employees in 1886. By 1885 a quarter of the coal-mines in northern New South Wales (NSW) employed 60 per cent of the miners. The average workforce of these mines was 360, with the largest employing 850. Industries such as building and road transport were highly competitive, however, in other industries, the increasing amount of capitalisation required to remain viable concentrated production in fewer hands. Of note were the state monopolies in railways and postal services. By the end of the 1890 financial year, the NSW Government Railways employed 11,827 workers.²

Some workers formed trade unions during this period. Initially, unionism was generally confined to tradesmen in the main cities and towns. However, in the mid to late 1800s unionism gradually spread beyond the skilled trades to encompass workers in a number of industries. Coal-miners began to organise collectively from the 1850s and by the 1880s new mass trade unions had developed in the metal-mining, shearing, railway, maritime and road transport, boot-making, and clothing industries. Unionism also spread to retail, clerical and supervisory staff in the 1880s.³

Nevertheless, union coverage was limited, and workplace industrial relations dominated before 1890. Indeed, the peak estimated percentage of trade unionists in the workforce was 20.9 in NSW and 23.2 in Victoria by 1890-91. Employers’ associations generally lacked continuity and were organised to meet periods of union militancy and threats of state intervention. While worker discipline was reinforced through Masters and Servants legislation, the state regulation of wages and conditions was limited. In general, employers unilaterally set wage rates and at times negotiated directly with their employees.⁴

Worker discipline was further enforced through the external labour market. There was an emphasis on unskilled labour, and work was seasonal and casual. As a result, most workers were hired and fired according to market trends. A core workforce did emerge in the typical manufacturing firm, including trusted associates, family
members and employees such as engineers, clerks, storemen and watchmen. These core workers received regular wages and privileges such as holiday pay and paid sick leave. It was the owner or a trusted supervisor who determined the members of this select group, hence ensuring a level of discipline. Indeed, apart from craft skills, other criteria required for core status included obedience, family links, regular attendance and knowledge of the firm’s operations. Other enterprises, such as the NSW Government Railways, were able to offer permanent employment to a large proportion of their staff. The ability to do so generally depended on factors such as the degree of capitalisation, firm size, and market concentration, and did not relate to the vast majority of companies.5

The above factors had an important impact on labour management practices during this period. Most enterprises remained small enough for the entrepreneur, or at least the foreman, to directly supervise staff. Such supervision was highly personal and arbitrary. As a result, the casual labour market, the high level of unemployment, and the constant and unabated threat of dismissal generally offered employers a high level of control over their workforces, particularly given the weakness of collective worker organisation in many industries. Nevertheless, some employers did experiment with more formal labour management strategies. Indeed, it was in this period that the foundations of welfarism were laid in Australian industry.

Foundations of Welfarism

Company housing in mining areas was one of the earliest forms of welfare provision. For example, during the early 1860s the Newcastle Wallsend Company built a number of two room cottages for its coal-miners to rent or buy.6 More impressively, the South Australian Mining Association at Burra had what Blainey refers to as a small welfare state in the 1850s. The company supplied its employees with houses, a chapel, abattoirs, and company funerals for those who died at work. It also levied six pence per week from employees’ wages for a compulsory social insurance scheme, provided medical and hospital services and half pay to the families of sick and disabled men.7

Other early examples of welfare provision appeared in the public sector. From the 1860s, employees of the NSW Government Railways formed social groups which
organised recreational activities such as cricket clubs, a musical society, picnic committees and annual banquet committees. Benefit societies such as a sick and accident fund were also formed by the workers. Management gave patronage and financial assistance to these associations and funds on an ad hoc basis. During the 1880s, the NSW Government Railways established semi-autonomous organisations, which were confined to railway employees and generally financed by railway management. The first of these welfare organisations was the Railway Ambulance Corps (RAC), formed in August 1885. The RAC organised classes and examinations on first aid, awarded certificates to successful candidates and held drills of members. In 1888, management established a Reserve Rifle Company, which while only in existence until 1st January 1893, was arguably ‘a positive though minor element in the development of labour control through cultivating a general respect for authority and fostering loyalty to managerial goals’.⁸

The Bank of NSW introduced the first official provident fund in Australia in 1862. While originally the fund acted purely as a fidelity guarantee fund, by 1876 it had come to act also as a provident fund, being made available to the officers or their families, under circumstances of retirement, misfortune, illness, or death.⁹ In 1879, an additional fund was established, resulting from a donation of 1000 pounds by Thomas Buckland (then director, later President of the Bank). Later known as the Buckland Fund, the principal objective of this fund was to alleviate the plight of officers’ widows. Buckland felt that widows were not adequately cared for by the modest widows’ entitlement from the original fund.¹⁰

Gail Reekie’s analysis of the retail industry in Sydney demonstrates the use of welfare provision as a way of controlling a large and growing female workforce during the second half of the nineteenth century. Relations between employers and employees during this period were characterised by personal and authoritarian forms of supervision, where employers enforced discipline and loyalty through a system of rewards and punishments. This system was based on the nineteenth century drapery tradition in which male drapers’ apprentices lived on the store premises as part of the household, assuming all the duties and obligations associated with an authoritarian father-son relationship. Many Sydney firms continued with such an arrangement for
assistants until the 1880s. ‘It was a paternalistic system in which the employer perceived his role as the stern but charitable head of the drapery household entitled to the filial devotion and gratitude of his employees.’

By the late nineteenth century assistants no longer lived on the premises. However, employers continued in their attempt to cultivate a sense of family in their employees, combining strict discipline and punishment with the ad hoc provision of rewards for dedication and loyalty. Reekie’s research into the large Sydney retailers, David Jones, Farmers and Co., and Marcus Clark, all show an ‘ad hoc system of individually tailored special payments to selected employees on their retirement or illness, bonuses paid to staff in responsible positions, and the occasional granting of special leave’.

Other notable examples of companies experimenting with welfare provision in this period include the Australian Mutual Provident Society (AMP), the Colonial Sugar Refining Company (CSR) and the National Bank all of which had pension schemes of some description before 1890. However, while the foundations of welfarism were laid in this period, the generally underdeveloped nature of industry constrained the widespread adoption of the strategy. The vast majority of enterprises were small-scale and entrepreneurs or the foreman relied on personal contact with the workers. In general, there was little need to develop a more formal and systematic approach to labour management.

1890 - 1914

Context
A number of key events affected the way employers approached their labour management during this period. The Australian economy was faced with a severe depression in the 1890s, with unemployment reaching an estimated peak of 28.2 per cent in Victoria in 1893. Recovery was slow due to a drought, the economy remaining stagnant until 1906. To compound the situation, tensions between capital and labour were heightened by the strikes of the 1890s. These strikes occurred in key export
sectors and there were fears that the conflict would discourage overseas investment. After a brief return to prosperity in 1900-01, drought subsequently prolonged the stagnation of the economy until 1906. Strong economic growth followed, culminating in a boom between 1909 and 1913.\textsuperscript{13}

A key issue underlying the disputes of the 1890s was the refusal of employers to recognise unions and allow them a role in determining wages and conditions. Thus, one way to prevent the recurrence of such conflict was statutory provision for union recognition.\textsuperscript{14} The events of the 1890s therefore contributed to an increase in state intervention with the introduction of compulsory arbitration and wages boards. This system provided an incentive for some employers to reorganise the labour process. However, as Patmore notes, this incentive came through the tribunal’s impact on economic issues – wages and conditions – rather than any direct limitations on managerial prerogative. Indeed, the decisions by the tribunals served to legitimise many areas of managerial prerogative by limiting collective bargaining to industrial issues.\textsuperscript{15} However, what constituted an ‘industrial issue’ was the source of much debate, and unions used the arbitration system to enforce as many welfare provisions on employers as the tribunals would permit.

The introduction of the arbitration system also had the affect of encouraging unionism in Australia through the statutory provision for union recognition. While there is debate over the impact of compulsory arbitration and wages boards on union membership, there is no doubt that small unions organising the weaker sections of the workforce were protected by the system. Further, large unions such as the Australian Workers’ Union (AWU) could grow in strength by absorbing smaller unions that adopted more militant industrial tactics.\textsuperscript{16} Nonetheless, many industries continued to be weak in terms of collective worker organisation.\textsuperscript{17} Overall, the number of trade unions in Australia increased from 124 in 1891 to 712 in 1914, with union membership growing from 54,900 to 523,300 respectively.\textsuperscript{18}

Other state initiatives such as tariffs and social security also influenced the way employers managed their workforce in this period. Markey argues that ‘Australian employers favoured tariff protection rather than modernisation as a means of offsetting relatively high labour costs.’ Evan Willis has likewise argued that tariff protection may
have reduced the competitive pressure on Australian manufacturers to transform the labour process.\textsuperscript{19} State social security also had an impact on management strategy, reducing the degree of dependence of workers on the labour market and employers. NSW introduced the first old age pension in 1900 for men and women over sixty five. Victoria and the Commonwealth followed in 1901 and 1908 respectively. Invalid pension were also introduced in NSW in 1907 and the Commonwealth in 1908. Other state-provided welfare benefits introduced during this period include a Commonwealth maternity bonus in 1912 and workers’ compensation in NSW in 1910.\textsuperscript{20}

Firm size continued to influence the character of labour management during this period. In general, the majority of industry remained undeveloped, and many smaller firms continued to rely on the direct control of the entrepreneur. Such informality extended into larger organisations through the delegation of labour management to foremen and first-line supervisors. In general, the power of the foremen was personal, highly arbitrary, with great discretion to hire and fire workers.\textsuperscript{21} However, there was a continuing trend towards market concentration and large-scale production in particular industries. In 1906, for example, foreign capital merged many local tobacco processors into the Australian subsidiary of British Tobacco, which dominated the industry. In the manufacturing industry, while there were still 12,000 establishments employing fewer than twenty persons each by 1913, there were 580 that employed more than 100. These larger enterprises employed 41 per cent of the manufacturing workforce. The largest organisations, however, existed in the public sector. The NSW Government Railways, for example, employed 41,322 workers in 1913.\textsuperscript{22}

A number of these large companies supplemented the informal control strategies with more formal practices. Welfarism was one strategy introduced in some enterprises, representing a more systematic approach to the management of labour.

**Welfarism**

The industrial unrest of the 1890s encouraged an upsurge in interest in welfare schemes, particularly in large-scale enterprises. At the Lithgow Ironworks in NSW, for example, the company ‘sold land cheaply to workers, provided designs for their houses and gave personal guarantees for employees’ bank loans’.\textsuperscript{23} The NSW Government Railways also
extended earlier initiatives in the area of welfarism. In 1891, Chief Commissioner Eddy, who was hostile to unions, founded the Railway and Tramway Institute. This Institute conducted classes and examinations on technical subjects, operated a library and became the focus for activities such as dramatic clubs and flower shows. In September 1892 the Institute introduced a house journal entitled the *New South Wales Railway Budget*. However, an attempt to establish a Railway Provident Fund attracted opposition from unions and was ultimately defeated by a ballot of employees.\(^{24}\)

With advice from Chief Commissioner Eddy, CSR was successful in extending its provident fund in 1890 to cover all employees. This was a first in Australia, other provident funds being limited to salary staff. In an address in February 1892, the General Manager, E.W. Knox, asserted that it was ‘political jealousy’ which ‘robbed the Railway men’ of a provident fund. In discussing their own fund, Knox admitted that they had ‘not brought out any wonderful scheme such as members of Parliament talk of, which will grow figs on thistles, and abolish hard work, but we have sought quietly, and without undue sacrifice, to aid you in making provision against sickness and old age…’\(^{25}\)

Clyde Engineering provides another example of a company expanding its welfare schemes during this period. The number of this company’s employees grew from 450 in 1899 to 800 in 1903. These employees had the use of a football and cricket field adjacent to the factory. The factory also boasted a 30-strong brass band, a trained ambulance corps, a rifle club, a fire brigade, and a company-sponsored social club.\(^{26}\)

Another wave of interest in welfare schemes occurred during the period of economic prosperity from 1906 to 1914 when labour turnover was high. In 1910, the NSW Government Railways and Tramways Superannuation Fund received the sanction of Parliament.\(^{27}\) In the same year the Victorian Railways Institute was founded.\(^{28}\) British-Australasian Tobacco Co. inaugurated life assurance and house building schemes for male employees in 1912.\(^{29}\) In 1910, the shipping company, Burns Philp, established a provident fund to provide payments in cases of sickness, disablement or death of employees. Burns had proposed the introduction of such a fund as early as 1893, but dropped the idea at that stage due to opposition from Townsville staff.\(^{30}\)
However, while some larger companies were increasingly systematic and formal in the implementation of their schemes, others continued to provide benefits and services on an ad hoc basis. With the hope of more harmonious working relations, rubber manufacturer Dunlop made particular ad hoc gestures, giving a large sum to the employees for their annual picnic and granting consideration to the widow of an employee killed in an accident or while on duty. More systematic provisions, however, were not implemented to ease the industrial tensions experienced by the company in this period.

Such ad hoc and informal methods of labour management continued to dominate during this period. While some larger enterprises experimented with welfarism, the generally underdeveloped nature of industry constrained the application of more formal and systematic practices. In addition, the compulsory arbitration system provided unions with the means to enforce welfare provisions such as sick and accident pay on employers, and the introduction of social security legislation further narrowed the field of experimentation with the strategy.

In addition, evidence suggests a level of acceptance, or even support, amongst groups of Australian employers for state-provided welfare in this period. John Rickard has shown employer support for anti-sweating factory legislation, Old Age Pensions and an inquiry into the causes of and remedies for unemployment in Victoria around the turn of the century. While it was largely the protectionist groups that supported factory legislation, there was also strong, if minority, support from employers in the cigar, saddlery, masonry, printing and tanning trades who wanted to regulate the price-cutting activities of their competitors. Jill Roe’s work suggests that large employers in NSW probably did support old age pensions, and that employers and miners participated in the Miners Accident Relief Act of 1901. Such evidence suggests a preference amongst a number of employers for the public provision of welfare benefits and services, rather than for privately operated welfare schemes.
1914 – 1939

Context
While the First World War did not stimulate economic expansion in Australia, it did intensify management’s labour problems through economic dislocation and industrial unrest. High levels of unemployment and price inflation accompanied economic stagnation. A general strike in NSW in 1917, centred on the railways, encouraged a reassessment of labour strategies by many companies. This need was intensified in 1919-20 by was an unprecedented strike wave that included workers in key industries such as Maritime and the Broken Hill mines. Political turmoil in this period added to the industrial chaos. The Russian Revolution and the One Big Union movement led to conservative hysteria over a Bolshevik challenge to Australian capitalism, and the need to neutralise the radical threat by raising workers’ living standards. Fears also arose over the international competitiveness of Australian industry.34

After the end of the war in 1918, with the exception of a slump in 1921, heavy foreign investment and immigration sustained a recovery. While Australia’s economic prosperity remained tied to the primary sector, an influx of foreign companies looking to set up operations behind tariff barriers in the 1920s encouraged the growth of new mass-production industries.35 The first signs of depression appeared in 1927 as the supply of overseas capital began to dry up. Unemployment increased from 10 per cent in 1928 to 28 per cent by 1932.36 However, while the 1930s depression was more severe that the one of the 1890s, recovery was faster, aided by the government’s tariff and monetary policies.

While between 1890 and 1910, Australia had enacted ‘pioneering welfare legislation’, during this period Australia ‘drifted into a backwater of social policy’.37 The Cook Liberal Government opened the 1913 session by promising action on new contributory schemes for widows, the sick, victims of accidents, and the unemployed. However, opposition by friendly societies, a hostile Senate and doubts about the Commonwealth’s constitutional power delayed action until the Government fell in the 1914 double dissolution election. When the Fisher Labor Government took its place, war had broken out, postponing any action on the policy. Indeed, the outbreak of World
War One and the economic and social problems of the Depression years served to concentrate the attention of the Parliament on matters of national security and survival, deferring welfare issues to a later period.\textsuperscript{38} Despite the lack of legislative innovation, the arbitration system continued to offer trade unions an avenue to pursue the extension of welfare benefits through industrial awards and agreements.

The majority of enterprises in Australia remained small during this period. However, the percentage of workers in large-scale enterprises grew. In manufacturing, the number of factories with more than 100 employees grew from 651 in 1920-21 to 725 in 1928-29 to 946 in 1938-39. The percentage of manufacturing employees in these factories increased from 42.92 to 43.71 to 47.52 respectively. Continued market concentration and the emergence of heavy industry assisted this growth. In 1915, the Broken Hill Proprietary Company (BHP) opened its steelworks at Newcastle with a workforce of 1450 and by 1935 it had absorbed its only rival at Port Kembla. Combines also arose in the glass, paper, chemical and drug industries during this period. State enterprises remained large-scale employers and by 1929 the NSW Government Railways and the post office employed 43972 and 40 545 respectively.\textsuperscript{39} Such firms continued to experiment with new strategies designed to manage a growing workforce.

\textbf{Welfarism}

Developments overseas during the First World War influenced labour management strategy in Australia. In Britain and the US, the welfare movement was intensified by the effects of war. Women and young persons were employed, especially in munition works. In Britain, the ‘Health of Munition Workers Committee’ was appointed in September 1915 to consider and advise on questions of industrial fatigue, hours of labour, and other matters affecting personal health and the physical efficiency of workers in munition factories and shops. Then, in January 1916, a Welfare Department of Ministry and Munitions was established (under B.S. Rowntree) which subsequently exerted pressure on ‘controlled’ and other factories to adopt welfare plans. An Act was also passed empowering the Home Office to order that special provisions be made in factories for securing employees’ welfare. Examples included arrangements for preparing, warming, and eating meals; supply of drinking water, protective clothing,
ambulance and first aid appliances; seats in workrooms; facilities for washing; accommodation for clothing; and appointment of welfare supervisors. The Home Office issued and enforced these orders, usually after consultation with employers and employees. By 1918, 800 specially trained welfare supervisors were employed in munitions factories in Britain. Eighty per cent dealt with the conditions of women’s employment, and 20 per cent with work and leisure of boys. Similar steps were taken in the US where, in April 1918, 30,000 establishments were engaged in welfare schemes.\textsuperscript{40}

There were a variety of ways in which such developments were disseminated to Australian industry. Foreign manufacturers were often effective in spreading the gospel to local firms. For example, National Cash Register, a leading welfare firm in the US, held film nights explaining the Company’s welfare program to Australian managers in an attempt to convince them of the strategy’s advantages.\textsuperscript{41} Foreign manufacturers also imported welfarist practices to Australian subsidiaries. British Tobacco Co. for example, extended its welfare program to include a sick benefit scheme worked in conjunction with the friendly societies, subsidised hot lunches, dining room and washing arrangements. The earlier house-building schemes were suspended at the outbreak of war due to a shortage of money. However, a ‘credit foncier’ system was adopted in its wake, where advances were made to married male employees.\textsuperscript{42}

The overseas influence is particularly evident in the Australian metal smelting industry. As Eklund explains, the introduction of the ‘empire scheme’ of industrial production during the war removed German interests from the industry, replacing them with an ‘Australian- and British- controlled industry organised around supplying the Allied war effort and protected by Imperial Preference’.\textsuperscript{43} It was under these conditions that Broken Hill Associated Smelters (BHAS), a joint venture of three large Broken Hill companies, Broken Hill South Ltd., North Broken Hill Ltd and Zinc Corporation Ltd., was established in 1915. BHAS took control of the Port Pirie lead smelter and soon became the dominant company within the industry. Key figures within this group were responsible for bringing new management strategies to Australia. In particular, it was at W.S. Robinson’s instigation that new management strategies based on developments in Great Britain during the war were introduced at both Port Pirie and Electrolytic Zinc in Tasmania. According to Eklund, Robinson was sceptical of North American ‘efficiency
experts’ who were pushing scientific management. Further, ‘his management philosophy was tempered by his loyalty to the empire, his base in London and his central role in putting together “the empire scheme”’. 44

It was at Port Pirie that these new welfarist management techniques were tested. In August 1917 a sickness and accident fund was established, and by November of that year the works had established a co-operative council. This was an organisation where staff and workers could work together to establish a co-operative store to supply food, clothing and other items that were either not available in the area or were sold at excessive prices by local storekeepers. A benefit fund to help ‘employees in distress or financial need’ was established in December 1917. Other companies in the industry such as the Electrolytic Refining and Smelting Company of Australia (ER&S) and the Sulphide Corporation soon followed suit. ER&S had set up a co-operative store in Port Kembla in 1917 as well as sponsoring local initiatives such as a recreation club and a provident fund. However, after investigating the cooperative store at Port Pirie, by the end of 1918 the store at Port Kembla had been reorganised along similar lines. The Port Pirie model was also copied at the Sulphide Corporation which by 1919 had constructed a co-operative store and new lunch rooms at Cockle Creek, south of Newcastle. 45

The state also played an important role in the promotion of welfarism in Australia during this period. Importantly, state enterprises demonstrated their support for welfarism by expanding their own schemes, effectively leading by example. The British influence was apparent in the NSW Government Railways which had from the outset drawn on English railway experience in the introduction of its welfare schemes. During the war, the Railways expanded welfare organisations such as the Railway Institute and created new ones such as the Safety-First Movement to enhance worker loyalty, reduce labour radicalism and improve productivity. 46

Australia Post in Melbourne established the first Postal Institute in Australia during the war years. In 1917-18, the Institute included: ‘Reading rooms, library (containing technical works), lending library of 4,500 volumes, periodicals and magazines, a lecture hall where amateur theatricals and concerts can be held, class rooms (fitted with modern appliances) for technical and practical training in all branches of postal, telephone, and telegraph engineering, classes in accountancy,
shorthand, typewriting, and general education and training in all branches of postal work such as telegraphy, postal sorting, post office, &c…’. The Institute also offered a gymnasium, billiard room, and other ‘innocent games’. Committees were formed to organise activities such as cricket, football, rifle shooting. Other examples of Government or Semi-Government institutions experimenting with welfarism in this period include the Tasmanian Government Hydro-Electric Department, the Commonwealth Bank, the Navy, and the Lithgow Small Arms Factory.

The state also promoted welfarism to private industry by publishing reports in support of the strategy. In late 1918 and early 1919, the Honourable G.S. Beeby, Minister for Labour and Industry in NSW, visited the US and Great Britain to report on the industrial conditions in those countries. On his return, Beeby spoke in strong support of welfarism. Further, in 1919 and 1920 the Commonwealth Advisory Council of Science and Industry (ACSI) published reports on industrial co-operation and welfarism, endorsing the adoption of the strategy in Australian industry.

Articles on welfarism also began to appear in Australian management journals during this period. Such publications were written by both academics and welfare practitioners and invariably advocated the strategy. Dorothea Proud, one of the early Australian social scientists, published an influential book in 1916 based on research conducted in British and Australian factories. She too concluded that welfarism was the path to efficiency for Australian industry.

Such developments in practice, rhetoric and literature indicate that the welfarism movement had taken hold in Australia, albeit on a much smaller scale than overseas. Another sign of this was the rise of the welfare secretary. In the US and Britain at this time, welfare work had become an area that required expertise and special competence. This was indicative of the institutionalisation and professionalism of the field. In a 1931 survey by Mauldon, nine Australian enterprises were found to have welfare staffs. W.D and H.O Wills Tobacco employed a welfare officer, as did the Sydney retailing firms of Farmer and Co. and Anthony Hordens. The retailer Farmers and Co. appointed Eleanor Hinder to the position of ‘Welfare Superintendent’ in January 1919. As the variety of activities she introduced increased, a recreation social secretary was
appointed, and before long a City Girls Sports Association was formed, encouraging other companies to also form sports clubs.\textsuperscript{54}

Welfare work was, at this stage, perceived as a female job. In her study of women’s organisations between the wars, Meredith Foley shows how the Young Women’s Christian Association (YWCA) promoted welfare schemes for women workers after 1919, and trained and supported female welfare workers after 1922. It also organised a conference in 1923 on the Human Factor in Industry to explain to Sydney employers the principles underlying welfare work.\textsuperscript{55} Several prominent female welfare workers were also associated with women’s organisations. For example, the YWCA’s Margaret Thorp organised Anthony Horden’s welfare department in 1922 and Eleanor Hinder was Chairman of the Secondary Schools Committee of the Student Christian Movement (1915-1923), a group of university women who organised camps for school girls. During these years Hinder was secretary of the Sydney University Women Graduates Association, and in 1922 was an executive member of the National Council of Women of New South Wales.\textsuperscript{56} By 1927, the women’s magazine \textit{Home} was advocating welfare work as a suitable career for middle class women.\textsuperscript{57}

Despite the development of the movement in Australia, welfarism did not spread as quickly or as widely as it did overseas. A 1931 survey by Mauldon found that only seventy six private establishments in Australia had welfare schemes.\textsuperscript{58} Tables 3.1 and 3.2 demonstrate the industries in which these schemes were found, and the type of provisions contained in these schemes.
Table 3.1

Classification by Industries of 76 Private Enterprise Establishments with Organised Welfare Plans.

<table>
<thead>
<tr>
<th>Industry</th>
<th>Number of Establishments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Manufacturing and mining:</strong></td>
<td></td>
</tr>
<tr>
<td>Wearing apparel</td>
<td>17</td>
</tr>
<tr>
<td>Foodstuffs</td>
<td>7</td>
</tr>
<tr>
<td>Printing and publishing</td>
<td>5</td>
</tr>
<tr>
<td>Metals and machinery</td>
<td>6</td>
</tr>
<tr>
<td>Metalliferous mining and smelting</td>
<td>4</td>
</tr>
<tr>
<td>Hardware</td>
<td>3</td>
</tr>
<tr>
<td>Gasworks</td>
<td>2</td>
</tr>
<tr>
<td>Fertilisers and chemicals</td>
<td>2</td>
</tr>
<tr>
<td>Soap</td>
<td>2</td>
</tr>
<tr>
<td>Textiles</td>
<td>2</td>
</tr>
<tr>
<td>Cement</td>
<td>2</td>
</tr>
<tr>
<td>Paint</td>
<td>1</td>
</tr>
<tr>
<td>Ropes</td>
<td>1</td>
</tr>
<tr>
<td>Leather</td>
<td>1</td>
</tr>
<tr>
<td>Rubber</td>
<td>1</td>
</tr>
<tr>
<td>Paper</td>
<td>1</td>
</tr>
<tr>
<td>Tobacco</td>
<td>1</td>
</tr>
<tr>
<td>Matches</td>
<td>1</td>
</tr>
<tr>
<td><strong>Wholesale merchandising:</strong></td>
<td></td>
</tr>
<tr>
<td>Hardware</td>
<td>2</td>
</tr>
<tr>
<td>Oil</td>
<td>2</td>
</tr>
<tr>
<td>Groceries</td>
<td>2</td>
</tr>
<tr>
<td>Photographic material</td>
<td>2</td>
</tr>
<tr>
<td>Wool and wheat</td>
<td>2</td>
</tr>
<tr>
<td>Soft goods</td>
<td>1</td>
</tr>
<tr>
<td><strong>Department, chain, and specialty store retailing:</strong></td>
<td>11</td>
</tr>
<tr>
<td><strong>Insurance and banking</strong></td>
<td>4</td>
</tr>
<tr>
<td><strong>Professional</strong></td>
<td>1</td>
</tr>
</tbody>
</table>

*Note:* The total of the figures listed in the table exceeds 76 because of the plans of several large organisations coming within two or more of the manufacturing, wholesaling, and retailing groups.

### Table 3.2
#### Classification by Type of Welfare in
76 Private Enterprise Establishments with Organised Welfare Plans

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sick and/or distress funds</td>
<td>21</td>
<td>Dining and recreation halls, rest rooms, and associated facilities</td>
<td>53</td>
</tr>
<tr>
<td>Life insurance, pensions and superannuation Provident and/or distress funds</td>
<td>14</td>
<td>Subsidised institutes, clubs, etc</td>
<td>34</td>
</tr>
<tr>
<td>* Profit-sharing and co-partnership schemes</td>
<td>11</td>
<td>Special amenities in working environment</td>
<td>12</td>
</tr>
<tr>
<td>* Share distribution and/or purchase schemes</td>
<td>6</td>
<td>Educational provisions and libraries</td>
<td>12</td>
</tr>
<tr>
<td>Home purchase schemes</td>
<td>6</td>
<td>Parks, recreation grounds and playgrounds</td>
<td>11</td>
</tr>
<tr>
<td>Subsidised savings bank schemes</td>
<td>5</td>
<td>Housing at cheap rentals</td>
<td>10</td>
</tr>
<tr>
<td>* Rewards for suggestions</td>
<td>2</td>
<td>Medical and dental services</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>Welfare staffs</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Holiday resorts and schemes</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Co-operative or company stores</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>House magazines</td>
<td>4</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Community centres</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Co-operative Councils and/or works committees</td>
<td>2</td>
</tr>
</tbody>
</table>

*Note:* The asteric denotes those schemes not included in the definition of welfarism adopted for the purposes of this thesis.

Mauldon identified the size of the business unit as ‘a factor conditioning extra-legal pioneering of industrial welfare’ in Australia. Approximately two thirds of the 76 establishments employed less than 1000 workers, the remaining one third employing over 1000. Nevertheless, approximately half of those employing less than 1000 had payrolls upwards of 300 employees, a large workforce by this period’s standards. Moreover, two thirds of the aggregate employees were concentrated in the group of enterprises employing over 1000. Consequently, the aggregate number of employees affected by the welfare schemes totalled about 40,000. Thus, while a limited number of small companies experimented with welfarism in this period, it was often introduced as method of managing a large workforce.

A connection between welfarism and gender is also apparent in Mauldon’s findings. Of the larger firms with welfare schemes, those employing greater that 1000 workers, 11 were retailers and 17 clothing manufacturers, employing a large proportion of females - approximately half the recipients of welfare in this group were females. Indeed, the gender-link was often expressed in the welfarism literature of the time. For example, David Lloyd George’s forward to Proud’s book attributed the rise of welfare schemes in Britain to the influx of women workers into industry during the World War One. The ACSI also drew a connection between welfare provision and female workers, advising employers of women to focus on organising their social life and recreation, and those with a male workforce to concentrate on improving wages and working conditions. 59 As the Staff Dining Room Supervisor of the retailer Anthony Horden explained to the Home magazine in 1926, welfarism acknowledged that ‘young girls of 20 or so do not live to work – they work to live’. 60

However, in the group of enterprises employing less than 1000, the workforce was predominantly male, with the ratio of welfare provision being roughly four to one in favour of males. This led Mauldon to conclude that the ‘nature of the production of the business unit, rather than any predisposition to favour women and girl workers, or rather than mere size of undertaking, thus appears to determine the distribution of welfare activities as between men and women in Australian enterprises’. 61 Indeed, while the evidence contained in table 3.1 suggests the lead taken in welfare provision by large-scale stores that also manufactured their own wearing apparel, Mauldon noted that
the most extensive and elaborate single welfare schemes benefiting the largest number of employees were to be found in sugar refining, metalliferous mining and smelting, and agricultural machinery undertakings, predominantly male industries. This, coupled with evidence from the public sector such as the elaborate welfare schemes aimed at the largely male workforce of the NSW Government Railways, tends to indicate that welfarism in Australia was not principally targeted at females in this period.

Table 3.2 indicates the preference for indirect rather than direct forms of money contribution to welfare by Australian employers. The most common form of indirect expenditure was the provision of dining, lunch, and recreation halls and rest rooms. According to Mauldon, the frequency of this form of welfare arose mainly from the prohibitions in the various state Factories and Shops Acts of meal-taking in workrooms, and the requirement, in some industries, that the employees be provided with accommodation for meals away from their working place. Likewise, the popularity of sick and accident funds was, according to Mauldon, the result of the state Workmen’s Compensation Acts. Mauldon argued that welfare provision beyond the legal minimum requirements was, in both cases, the first stage in the development of more elaborate welfare schemes. Given this, it can be argued that, in some cases, state legislation encouraged rather than inhibited experimentation in welfarism.

However, in general, state intervention limited the extent and incidence of welfarism in Australia during this period. As Mauldon concluded from his 1931 survey:

"Australians have committed themselves so fully to dependence upon the method of legal enactment and upon the system of compulsory industrial arbitration which implements the machinery of employers’ and employees’ organisations, in order to ensure the widest possible spread of economic welfare, that the field of experiment in voluntary cooperation for this end has been correspondingly narrowed."  

State intervention was fuelled by the relatively well-organised labour movement in Australia. By successfully forming the Labor Party, trade unions had a political channel through which to pursue their policy of wide-scale welfare provision through legislation and the arbitration system. This policy tended to restrain employers from introducing welfare schemes. As Mauldon asserted, ‘the trade union sentiment which pervades the
working forces of Australia has hitherto been so strong that it has provided a powerful obstacp to the widespread adoption of experiments in employer-employee co-operation which do not relate to the industrial policies of employers’ and employees’ organisations, or to the political programmes of the labour movement’. As a result, those employers that did introduce and maintain welfare schemes did so ‘without the formal blessing of either employers’ or employees’ organisations, and not seldom in the face of trade union hostility’. 64

The opposition of organised labour to welfarism overseas was largely related to the strong anti-union agenda of those schemes. 65 Raelene Frances demonstrates that anti-union tactics also provoked retaliation in Australia through her study of the Pelaco shirt company. According to Frances, James Law, the Managing Director of Pelaco, consciously set out to avoid union intervention by providing dining rooms, tea breaks, social clubs and a factory newspaper through which he disseminated his philosophy of co-operation between capital and labour. The largely female workforce was notably content and happy as a result, despite the tayloristic methods under which they worked. In 1922 the Clothing Trades Union retaliated in the Union journal, warning workers not to mistake the better wages and conditions for philanthropy, ‘since it paid the bosses to keep the workers contented and willing’. The Union also warned that the propaganda in the Pelaco house journal was ‘an insidious weapon against unionism and class-consciousness, and that workers should not feel too contented since that was the “first stage to retrogression”’. 66

In this case, the fears of the Union were well-founded. When union officials next visited the factory, they were ‘counted out by the girls’. Several further attempts to organise Pelaco in the 1920s and 1930s resulted in only a handful of female workers joining the Union. 67 Such examples led some union officials to be suspicious of welfare work. As Eleanor Hinder noted on being employed as Welfare Superintendent at Farmers in 1919, she ‘became somewhat of a controversial figure – or rather the “welfare” idea was new in Australia and was controversial, both inside the store and among my trade union friends. Was I, it was asked, going to undercut trade union activity by inducing the directors to make changes internally in conditions of work,
influencing workers thereby, in the words of Jerry Portus to “keep meek” and “keep cheap”?  

Some unions tried to organise boycotts of welfare schemes and at times establish rival schemes. By the early 1930s, for example, the Australian Railways Union (ARU) had organised successful football and cricket teams, and sponsored its own 28-piece band. It also set up a library, published pamphlets on political and industrial subjects, organised lectures for members and sponsored drama groups. This was an attempt to undermine the influence of Railway management in sport and cultural areas, and ‘to develop bonds between railworkers and sustain their unity of purpose.’

Despite examples of overt opposition, evidence suggests that many unionists in Australia were cautiously accepting of welfarism during this period. Indeed, in contrast to Mauldon, Patmore asserts that minimal union opposition aided the spread of welfarism in Australia. One reason for this may be the joint committee systems operated by many firms in respect to their welfare schemes. This offered workers, and at times unions, the opportunity to participate in the administration of schemes, reducing suspicion and resistance. Indeed, during the 1930s the Australian Paper Mills Employees’ Union administered a number of the welfare schemes introduced in the Victorian plants of Australian Paper Manufacturers, and the Secretary of the Union also acted as Company Welfare Officer. However, the majority of companies retained control of their schemes, and shop-floor unionists were generally the form of union representation on the committees.

Nevertheless, the strength of unionism deterred many companies from attempting to introduce welfare schemes. Mauldon concluded, the ‘strength of Australian unions lies less in the perfection of their organisation than in the sentiment of solidarity and mateship which makes response to a common cause widespread and rapid. In few industrial enterprises in Australia do the workers let this sentiment be overcome by the sentiment of loyalty to the business or the employer.’ While Australian workers were willing to accept the paternalism of the state, according to Mauldon, they maintained a traditional dislike of patronage from an employer: ‘He is not easy to win from the consciousness of the separateness rather than the unity of employers’ and employees’ interests.’
In recognition of this, the majority of Australian employers looked to other methods for securing the co-operation of their workforce. Pelaco provides an example of a company rejecting the notion of welfarism, even while at the same time implementing various elements of the strategy. As noted above, by 1917 Law had established a variety of welfare schemes including a dining room, social clubs and a factory newspaper. However, when the ACSI asked him for an account of the welfare work carried out by his company in 1920, Law stated that the term ‘welfare work’ did not appeal to him. He continued:

We had the feeling that welfare work would not be acceptable to Australians generally, and from close association with our own staff knew that such a movement would be most unpopular in our factories, so we tried to approach the problem from the Australian standpoint, and after a lot of consideration came to the conclusion that what the average Australian worker wanted was – work in congenial company and surroundings; shorter hours; high wages; constant employment.

In addition, as noted earlier, welfarism did not have the ‘formal blessing’ of employer associations. According to Mauldon, Australian employers exhibited ‘generally an individualism tempered by experience of labour’s powers.’ They had learnt to expect that the labour movement would take its own steps to advance welfare provision, and any gain in one part of the field would soon be standardised for industry generally. Thus, employers had, as a whole, grown wary about overstepping one another in welfare provision in the fear it would be exploited by organised labour. In this way, the aggressive policy of the labour movement for wide-scale welfare through awards and legislation stemmed the voluntary provision of benefits and services by employers in Australia. Employers viewed these provisions as privileges that would soon be claimed as rights.

Thus, a number of factors combined to limit the extent and incidence of welfarism in Australia during this period. The Great Depression, however, did not significantly influence the welfare schemes of many companies. It was under the depressed economic conditions of the 1930s that some scholars argue the movement receded in the US. However, Australian evidence suggests that a number of private companies retrenched workers during these years, and continued the welfare schemes
for the remaining employees. Workers were thus required to be both dependable and disposable. Unlike the public sector where, in the case of the NSW Government Railways, gratuities were paid to retrenched officers, private companies were often less generous. The records of Tooth & Co., for example, contain a large number of requests by retrenched workers for assistance from the gratuities fund. Such requests were invariably denied. The economic problems did force some employers to cut back welfare schemes. However, they were generally revived as economic recovery permitted.

The house journal of the NSW Government railways, The Staff, for example, was discontinued in 1930, but was revived as the Railway Digest after the Depression. Overall, the depression of the 1930s did not have a lasting impact on welfarism in Australia.

In summary, the period from 1914 to 1939 witnessed the consolidation of the welfarism movement in Australia, albeit on a limited scale relative to overseas. A number of factors encouraged this consolidation, most notably the overseas experiences in labour management during World War One. However, in general, Australian industry remained small-scale despite the influx of foreign companies and the growth of new mass-production industries. Consequently, the majority of Australian employers did not recognise the need to formalise labour management but continued to rely on simple, direct methods of control. It is debateable whether union hostility contributed to the limited application of welfarism in Australian industry. Indeed, evidence suggests a level of cautious acceptance amongst many unionists. However, the policy of organised labour to pursue wide-scale welfare provision through legislation and awards reduced the willingness of employers to experiment with private welfare schemes.

1939-1965

Context
The period from 1939 to 1965 was one of economic prosperity in Australia. Unlike the First World War, the Second encouraged economic expansion. Unemployment was absorbed through enlistment, falling from 9 per cent in 1939 to 1 per cent in 1945. The economy was not significantly disrupted, the substitution of unavailable imports and the
close proximity of the fighting helping to sustain growth. Unemployment remained low throughout the period, despite minor recessions in 1952, 1956 and 1961, and labour turnover was high. The primary sector declined in importance, while the tertiary sector expanded. Immigration was high during this period, net migration constituting one-third of Australia’s population gain between 1947 and 1966. Many migrants received government assistance and a large number did not come from the UK, the traditional source of migrants to Australia.\(^{81}\)

Labour shortages in male occupations during the war caused an influx of women into the paid workforce. The Federal Government and women’s magazines encouraged females to enter industry and contribute to the war effort. The number of women working in paid employment increased from 678,000 in July 1939 to 811,000 by June 1945. Women also moved from the traditionally ‘female’ industries into munitions and related industries normally dominated by men. As a consequence, employers sought new methods of labour-management in order to limit absenteeism and improve morale amongst the industrially inexperienced and largely female workforce. This challenge continued into the post-War period as female participation rates in the paid workforce continued to increase.\(^{82}\)

The state played an active role in the modernisation of labour management during this period. Wartime National Security legislation significantly extended the Commonwealth Government’s power to co-ordinate economic and industrial development. By December 1941, the Curtin Labor Government exercised full control over pricing, capital rationing, the transfer of manpower, and wage restrictions. The Department of Munitions co-ordinated the transition from civilian to war-time production, and other government agencies such as the Commonwealth Department of Labour and National Service (DLNS) played an important role in maintaining adequate numbers of workers in munitions production and other ‘essential’ industries, and in administering National Security Regulations governing work in war industries. While state intervention diminished after the war, as Wright argues, ‘for the management of labour in private industry, the legacy of involvement was far-reaching.’\(^{83}\)

Legislative initiatives also expanded the Australian welfare state during this period. The external threat to Australia’s security enabled the Commonwealth
Government to gain control over the major sources of government revenue. This was achieved by legislation in July 1942, and endorsed by the High Court the same year. A 1946 referendum subsequently granted the Commonwealth power over ‘social welfare’, opening the door for state welfare reform in Australia. The Curtin and Chifley Labor administrations of the War and post-War years were particularly zealous in their efforts. Legislative initiatives of the Curtin Government included the introduction of national widow’s pensions in 1942, and sickness and unemployment benefits in 1944. Following this, the Chifley Government consolidated all existing welfare legislation into the Social Services Act 1947. However, similar interest in welfare initiatives did not reoccur until the late 1960s. Apart from the extension of health services, and other initiatives for aged care, the period from 1949 to 1965 under the Conservative Menzies Government was largely one of consolidation and mild reform.  

Arbitral tribunals also extended the welfare provisions included in industrial awards during this period. By the mid-1960s most federal awards provided for sick and accident pay. In addition, washing and sanitary facilities, and dining rooms were regularly provided for and, in some cases, federal awards also contained provisions for canteens and recreational facilities.  

Although a significant number of workers continued to be employed by small enterprises, large-scale corporations became more common in this period. During the war, munitions production boosted the size and scale of manufacturing and helped employers to realise the benefits of specialisation, planned production and product standardisation. At a peak in 1942-43, 61.23 per cent of the manufacturing workforce worked in factories with more than 100 workers. Smaller workforces remained common, however, the average factory employing 28.98 workers. With the decline in munitions and the proliferation of small businesses taking advantage of the post-war consumer boom, the percentage of employees in small enterprises increased again. Nevertheless, in 1963-64, 52.21 per cent of manufacturing employees continued to work in factories with more than 100 workers. Take-overs and diversification in the private sector expanded corporation size, particularly in retailing. However, such firms continued on a much lower scale than the largest US and European firms. State
enterprises such as the NSW Government Railways and the post office remained major employers, continuing pre-war trends.  

**Welfarism**

Within this context, the welfarism movement reached its peak in Australia. For some private firms that had established welfare schemes prior to the onset of war, the loss of personnel to the war effort and the enforced changes in production focus during these years generated a cut back in the schemes provided. Tooth & Co., for example, postponed all sporting and recreational activities until after the war, mainly due to a loss of participants through enlistment. The company, however, continued other schemes such as the distribution of house journals and magazines. Both Tooth & Co. and the Bank of NSW devoted large sections of their journals to ‘Our Boys at the Front’, and sent copies overseas to those ‘boys’ to assure them, and those remaining in the company’s employ, of its continued concern for their welfare.

The state played an important role in the expansion of welfarism through Australian industry in this period. During World War Two, the Commonwealth Government established and promoted welfare work in Australian factories in much the same way as its overseas counterparts had during World War One. In 1941 the Commonwealth DLNS initiated systematic industrial welfare work under the Industrial Welfare Division (IWD). The IWD consisted of three branches. The Factory Welfare Branch oversaw welfare work in government and essential private factories, trained welfare officers for industry, and conducted research into personnel problems. The Food Service Branch controlled the planning, establishment and operation of food services in Government factories, and advised private firms on large-scale industrial catering. Finally, the Technical Services Branch advised both Government and private employers on physical working conditions including industrial lighting and heating, health and safety, absenteeism, employment procedures, and supervision.

At a state level, the NSW Government appointed the Factory Welfare Board of the Department of Labour and Industry in June 1942. This Board was designed to make recommendations to the NSW Minister for Labour and Industry and Social Services in respect of special measures necessary for the health and safety of employees including
the prevention of accidents and the provision of facilities for medical or first aid, rest, recreation, meals, changing and protection of clothing and washing. The Factory Welfare Board sought and received the co-operation of unions. While in some cases it was the unions that approached the Factory Welfare Board, the Board also prepared and issued questionnaires to be completed by the Shop Stewards on various jobs with a view to attaining information on the working conditions, safety provisions and amenities in factories and foundries.

A central objective of both state and federal authorities was the establishment of safety provisions and adequate amenities in Government munitions and aircraft factories, and in the factories of Government contractors. However, the DLNS was also active in promoting welfarism to private employers not involved in the war effort, initiating ‘Safety First’ campaigns and supplying advice on the provision of superior amenities. These state initiatives are explored further in chapters seven and nine of this thesis.

In 1941, the IWD established an emergency training scheme for industrial welfare and personnel officers in Sydney and Melbourne. Each training course consisted of six months full time study and the scheme was planned and kept under review by a Studies Committee, consisting of a trade unionist, an experienced welfare and personnel officer, and officers of the relevant University (Sydney or Melbourne), and of the DLNS. Lectures and discussions were conducted in Industrial Organisation and Law, National Security Regulations, Social Legislation, Psychology and Trade Unionism. These lectures were delivered by specialists in Industrial Psychology, Industrial Health, Hours of Work, Lighting, Ventilation, Monotony and Fatigue, Employment and Industrial Training. To supplement the theoretical training, particular study was made of economic and social problems such as Housing, Health, Unemployment, Social Insurance, Education and Delinquency. Practical visits to housing estates, hostels, law courts and recreational organisations were also conducted at the University by the Department of Social Studies. At least six weeks practical training was provided in the welfare and personnel department of a factory under the supervision of an industrial welfare officer.
Applicants for the scheme were numerous. A June 1942 report by the IWD, for example, commented on the 500 applicants, 20 of which were chosen. The small number of people chosen for each course was said to be due to the standard of training given. The facilities available for practical training and inspection of working conditions were limited, and each trainee was given individual attention. The trainees were selected by a committee consisting of a representative from the Australasian Council of Trade Unions, employers, the University, and the DLNS. This committee was looking for men and women who had held a job, particularly if it brought them industrial and trade union experience. An age of 25-35 years for women and 37-45 years for men was preferred due to the ‘strenuous and exacting’ nature of the training and work of a welfare officer. The trainees were not charged for the course, and were in fact paid a living allowance during training, although they were not permitted to undertake outside work.

Acceptance for training did not imply any guarantee of employment on completion of the course. The DLNS, however, kept a register of men and women who had completed the training with a view to assisting them to obtain employment as welfare officers in Government munitions establishments, annexes or private factories. For their part, the trainees also had obligations - prior to commencement of the training course, they were required to sign an agreement that they would serve as welfare officers where directed by the DLNS.

During the war, government munitions factories expanded greatly, both in size and number. Small arms, explosives, ammunition and ordnance factories existed in all states. Older factories such as the Footscray and Maribyrnong ammunition factories and the Lithgow Small Arms Factory had grown from pre-war employment of 600-800 workers to war-time levels of many thousands. These factories, as with many others, employed welfare officers to deal with the administrative and organisational problems associated with the growth.

While supportive of government efforts to enforce factory standards, unionists were initially suspicious of the role of welfare officers in factories. As Wright found, they questioned the impartiality of the welfare officers, particularly given the close association between these officers and management. Unionists were also doubtful that
welfare officers were given enough power to introduce changes within the firm. However, before long such doubts and suspicion were replaced by an attitude of active support for Wartime welfare work. The successful introduction of a wide range of services and amenities in factories demonstrated to union officials the contribution that welfare officers could make to the working conditions of their members. As Wright notes, by the later years of the War, union officials encouraged members to co-operate with welfare officers’ enquiries and argued that welfare initiatives in Government factories should also be provided by private industry.\textsuperscript{96}

Indeed, the DLNS was active in promoting the work of welfare officers to private industry as a means of controlling absenteeism and industrial conflict, and improving morale and productivity. It advised that one personnel and welfare officer was generally needed in a factory employing 250-600 people, and that additional officers should be considered in larger factories.\textsuperscript{97} Private firms that appointed welfare officers during the war included Bradford Cotton Mills, National Motor Springs, Australian Paper Manufacturers, Lever Bros., Philips Electrical Industries, David Jones, Telephone and Electrical Industries, Ford Motor Co., the Myer Emporium, and the ammunition factory of Imperial Chemical Industries of Australia and New Zealand. By mid-1945, more than 100 welfare officers were employed in Australian industry, 30 per cent of these in the private sector.\textsuperscript{98}

Many of the functions and activities of the welfare officers conformed to traditional welfarism. However, as the war progressed, their role expanded beyond these confines and in some instances included attempts to introduce formalised procedures for employment, induction and training.\textsuperscript{99} In publications during the mid-1940s, the IWD described the role of welfare and personnel officers as covering working conditions, absenteeism, health and safety, personal problems, food services, housing, transport and recreation. However, it also remarked relatively extensively on employment, training and induction, and on employee–management communications and co-operation.\textsuperscript{100} This trend was most apparent in the larger munitions factories but was also occurring to a limited degree in private industry.\textsuperscript{101}

A further indication of the broader use of formal personnel practices in private industry during the war was the formation of the state-based Personnel and Industrial
Welfare Officers’ Associations in Sydney and Melbourne. These associations aimed to highlight the professional nature of personnel and welfare work, and pushed for the extension of specialist tertiary education in personnel management.\textsuperscript{102}

The end of the War led to winding back of welfare initiatives in most Government factories as production and employment were reduced. As Wright notes, this partly reflected the centralised industrial approach to labour management adopted by the Department of Supply, which administered many Commonwealth Government instrumentalities. However, he argues that the cessation of such practices also highlighted a post-War ‘backlash’ against welfare and personnel initiatives by managers who had opposed the Wartime imposition of welfare work. Management at Lithgow Small Arms Factory, for example, had resented welfare officers, claiming they undermined discipline by upholding worker grievances and complaints and intruded into the normal operation of the factory. After the War, welfare initiatives in this establishment were discontinued, and labour management largely reverted to a line management responsibility.\textsuperscript{103}

Despite the cessation of welfare initiatives in many Government factories, a number of private firms such as Bradford Cotton Mills, David Jones, and Telephone and Electrical Industries, all of which hired welfare officers during the war, continued such work.\textsuperscript{104} Other private companies initiated or extended welfare schemes in an attempt to attract and retain workers during the post-War period, a time of labour shortage and high labour turnover. Indeed, the incidence of recreational facilities, superior amenities, superannuation schemes, safety programs and health services expanded following the War’s end.

Employee savings plans also increased in popularity during this period. However, while in earlier years tobacco companies in particular established subsidised savings schemes to ‘encourage thrift’\textsuperscript{105}, the post-War expansion of plans was primarily a government initiative. This was particularly the case in NSW after the state Annual Holiday Act was passed in December 1944. In order to ensure workers made the most of their two-week annual leave, the NSW Department of Labour and Industry began to set up holiday savings clubs in factories, shops and offices in the late 1940s. These clubs cooperated with the Commonwealth Bank and trade union committees.\textsuperscript{106} In
1945, the IWD also began investigations into holiday savings funds for workers. A 1959-60 survey of 24 manufacturing companies in NSW discovered that 21 had one savings plan in operation, and three had two plans. However, in only one fund did the company subsidise worker savings in any way, and the majority of schemes were initiated and administered by financial institutions. Thus, while a popular form of welfarism overseas, savings schemes in Australian enterprises rarely involved company subsidies or involvement.

While the shortage of labour in the immediate post-War period was a primary concern of employers in extending their welfare schemes, relatively few abandoned the welfare plans once the labour supply became sufficient for the slower rate of industrial growth during the 1950s. This suggests that companies had other reasons for introducing and maintaining welfare schemes during this period.

Overseas literature emphasises the role of welfarism in improving public relations. As Brandes notes, a sympathetic public could help undermine political support for antitrust or restrictive legislation. Similarly, McCallum argues that Canadian employers provided welfare benefits to prevent social legislation – they could point to their own programs as evidence that business could and would look after its own. Moreover, the outcome of a strike was often balanced on the question of public sympathy towards the company. According to Brandes, ‘Through welfarism, businessmen hoped to convince the public and their employees that the system which granted them such a large share of influence was legitimate and viable’.

Australian evidence does not suggest a correlation between the rise of welfarism in the post-War period and employer attempts to forestall the recognition of workers’ rights through legislation. In Canada, McCallum notes that welfarism was designed to prevent legislation compelling payment of a minimum wage, employer contributions to wage-replacement plans during periods of sickness or unemployment, the eight hour day, and union recognition. These rights had already been achieved in Australia by way of legislation and awards. However, employers may have used welfarism to cultivate public sympathy and thus reduce union militancy, although there is no compelling evidence of this.
As overseas, welfarism helped to reinforce ‘businessmens’s perception of themselves as benevolent patriarchs whose hard work and dedication produced not only wealth for themselves but good for the whole community.’ In the 1959 special welfare issue of the Personnel Practice Bulletin, W.E. Cuckson, the Managing Director of the manufacturers Cuckson & Son offered the ‘heartfelt conviction that if you take the responsibility of using the lives of men and women to further your enterprise you must accept them as a fellowship of human beings, and use your stronger position not to wield power but to give service.’ Similarly, the Assistant General Manager for the Zinc Corporation at Broken Hill noted management’s ‘responsibilities to their employees and the community at large.’

The special welfare issue of the Personnel Practice Bulletin provides a good indication of employers’ objectives in introducing welfare schemes. The company representatives reporting on their initiatives regularly commented on good morale, harmonious relationships, team-work and ‘esprit de corps’. W.E. Cuckson noted the two-way nature of friendship, ‘The employee by his loyalty supports the company to which he belongs; the company, with its advantages, helps the employee in ways in which he could not help himself’.

The Chairman and Managing Director of Jason Industries, manufacturers, referred to the words of Dr. Robert McMurray, an industrial psychologist who argued that the reason for unionism was that, ‘Management has failed to be the kindly, protective father, so the union has become the caressing mother who gets things from that stinker of a father.’ Maximising worker commitment and loyalty to the company and to managerial goals was clearly a motivating factor behind these schemes. However, while aimed at fostering industrial peace and enhancing work effort, the attraction and retention of good workers remained a key goal for many companies in this period.

Labour response to welfarism in this period varied. While in some companies, welfare schemes received enthusiastic participation by workers, in many cases employees responded with apathy. As Wright found, the company bias of welfare measures sometimes led to direct confrontation with unionists. For example, the superior amenities provided by the Welfare Club for salaried staff, and the lack of assistance provided to organised sporting teams at the Metal Manufactures’ Melbourne
factory led to industrial conflict. Likewise, unionists accused welfare clubs of siding with management during strikes, and of being slow to respond to complaints regarding factory conditions.\textsuperscript{118}

The Chifley Labor Government actively promoted the need for a modern approach to labour management in order to improve industrial efficiency and productivity during the immediate post-War period. The DLNS continued to be the major Commonwealth department involved in encouraging the adoption of modern practices including welfarism. The full employment White Paper in 1945 outlined the Government’s intention to continue to develop the industrial welfare work of the Department. However, without the Wartime powers of intervention, the IWD operated essentially as a state sponsored research body, investigating welfare and personnel issues in an advisory capacity to private industry.\textsuperscript{119}

The IWD had been renamed the Industrial Services Division (ISD) by the early 1950s. This is indicative of the shift away from welfarism towards personnel management, to be discussed below. The Division consisted of four sections; Food Services, Industrial Training, Personnel Practice, and Technical. It was the Personnel Practice Section (PPS) that dealt with the majority of work in relation to labour management practice. The PPS gathered information through overseas and local literature, surveys, and industry and enterprise specific case studies. It used a variety of methods to disseminate data including visits to large companies and conference presentations, and at times members were employed as part-time trainers and lecturers at technical colleges and executive training conferences. A variety of publications were also used to disseminate research findings including the quarterly journal, the \textit{Personnel Practice Bulletin} (formally the \textit{Bulletin of Industrial Psychology and Personnel Practice}).\textsuperscript{120} During the 1950s, the \textit{Personnel Practice Bulletin} published a large number of surveys and articles relating to welfare benefits and services in Australia. Thus, while restricted by its purely advisory capacity, the PPS continued the Government’s advocacy of welfare practices well into the post-War period.

State support for welfarism was also evident through the continuation of Industrial Welfare Training courses in the immediate post-War period as part of the Commonwealth Reconstruction Training scheme. It was recognised that there was a
need for some kind of welfare course especially designed for ex-servicemen and women, a year in duration to give them time to adjust to civilian life. This course was designed to act as an interim course between the Emergency courses and the fuller University training that would exist in the future.\textsuperscript{121} It was hoped that there would be enough interest from returned soldiers so that the courses could be filled entirely from this group.\textsuperscript{122} Civilians were permitted to apply, although discharged Service personnel were primarily encouraged. The latter were granted living allowances during the training period, and were paid travelling expenses. This made it difficult for civilians since, as with the emergency training schemes of the war years, the course required full-time study, and no outside work could be undertaken by trainees. University fees were, however, waived for both discharged Service personnel and civilians. The content of the course closely resembled that of the emergency scheme but with three months practical training in the personnel and welfare department of a factory.\textsuperscript{123}

Discussions involving the establishment of more permanent tertiary courses developed over the next few years. These discussions are indicative of the continuing Wartime trend of expanding and formalising the personnel function in Australian industry. Overseas, the personnel movement had taken root, and, as in the pre-War period, local subsidiaries of foreign companies imported personnel techniques and provided examples to local industry of more advanced labour management practices.\textsuperscript{124}

Debate arose over which University Department would be responsible for personnel management training. While the Department of Social Studies at the Universities of Sydney and Melbourne had conducted the course during the war years, there was concern about leaving it under that department, with the DLNS preferring the Commerce School (Melbourne) and Economics Department (Sydney).\textsuperscript{125} Among the many reasons for this was advice that the course put forward by the social studies department was too ‘welfare’ dominated and ‘somewhat remote from the realities of industry’. In previous years, there was evidence of a ‘not completely unreasonable’ prejudice of businessmen and industrialists against personnel management training associated with Social Studies. It was argued that, while the course could be broadened by the Social Studies Department ‘nevertheless social work will still be the dominant interest and the direction of the Department will remain in the hands of a woman.’\textsuperscript{126}
Thus, welfare work was still considered a female job directed at the social side of working life.

Further to this point, it was argued that industrialists would tend to prefer graduates in Commerce or those with no training at all for positions in personnel management, while graduates from Social Studies would ‘fill the more junior “welfare” positions, of which there are likely to be fewer in the next five years than during the last five years.’  

There would eventuate two types of personnel officers; women with a high standard of training in a three year University Course, and men who have taken some other shorter and probably inferior training, or none at all.  

Despite this concern, the Department of Social Studies at Melbourne University received the grant to conduct a three-year course in Industrial Welfare and Personnel Management, leading to a Diploma in Social Studies. Still concerned, the Personnel Practice Branch pushed to drop ‘Industrial Welfare’ from the title of the course. As argued by the Assistant Controller of the Branch, Flora Eldershaw; ‘This may help in getting the course accepted by industrialists who will suspect the “welfare” approach as being unrealistic and not related to the real problem of management’.  

According to the Director of the IWD, R. G. Baxter, the ‘identification of the background training of our officers with social work has, perhaps unjustifiably, intensified by a tendency in industry to look on welfare work as something apart from the managerial function, a pleasant addition to factory life if it can be afforded not an essential part of its labour relations’.  

In contrast, Personnel Management was viewed by government officials as being a distinct profession. Flora Eldershaw, backed these views by commenting on the changes occurring overseas. Quoting from a book written by Northcott of Rowntree and Co, a leading welfarist firm in England, she writes:

A whole generation has passed since a few progressive employers in this country [England] appointed men and women charged to give consideration to the human factor in industry. These were the pioneers in a movement which in the course of the years, and especially under the stress of two wars, has come to be recognised as an essential part of industrial organisation. Originally their aim was the welfare of the individual, and the activities of those appointed to assist therein were to a large extent carried on outside the work-room. But as the leaders of
British industry began to think more clearly concerning their objectives and the methods by which these could be attained, the ends towards which the welfare movement was directed were enlarged; its procedures were transformed into business practices. The well-being of the individual came to be regarded as an intrinsic business aim rather than a hobby of philanthropists, and methods designed to promote it won their place as sound business activities. The change is marked in the term “Personnel Management”, by which the movement is now very generally known.131

Further support for this view was found in a study conducted by the Education Officer at Rowntree which concluded that: ‘Rightly considered, industrial welfare is a by-product and not a policy, that is to say, a firm should be so organised that the well-being of its workers is safeguarded at every point yet this cannot and should not be the sole object of personnel policy which aims at the best and fullest use of workers’ capacities and energies… Welfare alone cannot make any effective contribution to the solution of those deeply seated human problems which are endangering the whole structure of industry today.’132

Australia subsequently followed the trends evident in the UK, dismissing welfare work as a peripheral function of the growing personnel management movement. The term ‘welfare’ was gradually dropped by private organisations in Australia, replaced by the term ‘personnel management’, a more acceptable and arguably accurate title for the emerging function of personnel specialists. This trend was followed at a broader level by the Personnel and Industrial Welfare Officers’ Associations in Sydney and Melbourne. These associations grew as the number of personnel officers in industry increased and, following the creation of other state associations, a new federal constitution was adopted in 1954, and the title changed to the Institute of Personnel Management (Australia).133

The change in terminology should not imply that welfare practices did not survive. Indeed, welfare provision was an enduring feature of personnel practice in the post-War period. As indicated above, there remained interest in welfare schemes even in 1959 with the release of the special welfare issue of the Personnel Practice Bulletin. However, over the next decade, these provisions became known as ‘employee benefits and services’, or ‘fringe benefits’, the term ‘welfare’ rarely receiving a mention in the
bulletin. This development coincided with the consolidation of the personnel function in Australian industry.

Further, by the later 1960s broader social changes had begun to limit the applicability of traditional welfare practices. In particular, the improvement in living standards, the expanding availability of educational services, the expansion in the public provision of sporting and recreational facilities, the increasing geographical mobility of workers through private car ownership, and the growth of financial institutions, all served to reduce the workers’ dependency on company provided welfare\textsuperscript{134}, as did the increased attention afforded to social security reform in the late 1960s and 1970s.

Nevertheless, to assume that welfarism was totally replaced by the ‘new’ strategy of personnel management is to suffer from Littler and Salaman’s ‘panacea fallacy’ which assumes that because a certain strategy fails to solve labour problems then a total solution follows. As Littler and Salaman contend, such an approach ignores the fact that all control strategies are developing strategies that involve combinations of management practices and which may involve perpetual contradictions'.\textsuperscript{135} While welfarism alone could not deal with the labour issues arising during the post-War period in Australia, it was combined with other management practices in the form of personnel management. Thus, as a loose set of practices, and as an idea, welfarism did not die in the post-War period. As a movement, however, welfarism did not survive the challenges of post-War Australia and was ultimately subsumed as part of the increasing formalisation of personnel management.

**Conclusion**

The Australian welfarism movement emerged in the late nineteenth century, peaked during the immediate post-War period, and was gradually subsumed by the Personnel Management movement in the 1950s and early 1960s. However, at no stage did the movement reach the heights experienced overseas.
A number of economic, political and institutional factors encouraged the spread of welfarism during the period of study. Initiatives were most noticeable in times of labour unrest and/or labour shortage, particularly during the years of the Second World War and the post-War period. State support for welfarism was established in this period through the training of welfare officers and the development of formalised welfare work in industry. However, the state also demonstrated support for the strategy in previous years by the application of welfare practices in a variety of state enterprises. The relative lack of large-scale private organisations and the dominance of the public sector therefore provided another channel for the state, as an innovative employer, to promote the need for new labour-management strategies in Australia. Overseas influences were also important in the dissemination of welfarism in Australian industry. Foreign companies sometimes imported welfarist practices to their Australian subsidiaries and provided an example for local firms. Likewise, the introduction of welfare schemes in some companies resulted from the overseas experience of their managers or directors.

A variety of factors are also identified as having limited the widespread adoption of welfarism in Australian industry. In particular, the generally underdeveloped nature of industry prior to the Second World War constrained the application of more innovative labour management strategies, with the majority of enterprises relying on direct and simple forms of control. While in the post-War period large-scale employers became more common, broader personnel management practices had already begun to infiltrate management circles, and welfare work was often dismissed as a peripheral function of this movement. The application of welfarism was also limited due to state legislation and the arbitration system. Organised labour aimed to achieve wide-scale welfare benefits through these means, and employers were thus hesitant to provide privileges that could soon be claimed as rights throughout industry. Nevertheless, while limited in its application, welfarism provided the framework for the use of more formal personnel practices in post-War Australian industry. The strategy was thus central to the development of labour management practice in Australia.

3 ibid, pp. 56-62; Wright, *The Management of Labour*, p.29.
5 ibid, pp. 138-39.
6 J.R. Hay, ‘For the benefit of the company’: the development of employers’ welfare schemes in Australia, 1880-1980, School of Social Sciences, Deakin University, September 1980, p.11.
10 ibid, p.24.
12 ibid, p.8.
14 ibid, pp.101-102.
15 ibid, p.142.
16 ibid, p. 121.
17 Wright, *The Management of Labour*, p.35.
18 Patmore, *Australian Labour History*, p. 120.
23 ibid, p.144.
24 Patmore, *A History of Industrial Relations in the NSW Railways*, p.100.
28 ibid, p.56.
29 ibid, p.56.
34 Patmore, *Australian Labour History*, p.146.
35 ibid; Wright, *The Management of Labour*.
38 ibid, pp.33-34.


ibid, p.150.

ibid, p.150.


ibid, pp.50-51.


ibid, 17; Wheelhouse, *Eleanor Mary Hinder*, p.8.


Reekie, “Humanising Industry”, p.16.


ibid, p.186.

ibid, p.183.

ibid, p.183.


ibid, p.111.


Patmore, *Australian Labour History*, p.149.


ibid, p.183.

ibid, p.187.

See, for example, Brody, *Workers in Industrial America*, chapter 2.


Patmore, *Australian Labour History*, p. 149.

ibid pp.150 and 200.

ibid, pp.172-176.


Memorandum from the Minister for Labour and National Service, 28/9/42, AA, Series SP113/1, item 560/2/1.

‘Factory Welfare. How they Deal with it in New South Wales’, *Australian Worker*, 23/1/43, AA, Series SP 113/1, item 560/2/2.

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ibid.


*Personnel and Welfare Officers in Industry: What do they do*, Leaflet No.7, DLNS (IWD), 1944, AA, Series SP146/1, item 572/8/5.


*Personnel and Welfare Officers in Industry: What do they do*, Leaflet No.7, 1944, AA, Series SP146/1, item 572/8/5, also series SP 191/1, item 42966 Part II.


ibid, p.47.


ibid, p.63.

NBAC/ANU, N20/2293, Tooth & Co., Announcement to the employees of the Government Savings Bank Supplementary Scheme, May 1923. The British Australasian Tobacco Co., W.D. & H.O. Wills, and the States Tobacco Company introduced a Government Savings Bank Supplementary Scheme in 1923. In the scheme, whatever rate of interest paid by the Savings Bank was subsidised by an additional 2.5 per cent per annum.

‘Savings for Holidays’, Sydney Morning Herald, 30 May 1946, ‘Workers save for holidays’, Sunday Sun, 23 May 1948, AA, Series SP 146/1, item 575/1/12.

‘Holiday Savings Schemes’, Report from G.M.Hutchinson to Acting Area Controller, Factory Welfare Branch, 16 September 1945, AA, Series SP 146/1, item 575/1/12.


McCallum, ‘Corporate Welfarism in Canada’, p.50.

ibid, p.72.


ibid, pp. 223-226.

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131 Correspondence from Eldershaw, A/Controller, PPB to Professor Gibson, University of Melbourne, 26 June 1946, AA, Series SP146/1, item 575/1/13.
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CHAPTER FOUR

Pensions:
Provident and Superannuation Schemes

This chapter examines provident and superannuation schemes in Australian industry. According to the IWD in 1950, a provident scheme ‘provides for the payment of a lump sum of money at times agreed by the party or parties concerned. A provident scheme makes money available for certain purposes, eg., marriage, retrenchment, or retirement, death etc.’\(^1\) In the majority of cases, provident funds included provisions for a retirement pension, and were often designed specifically for this purpose.\(^2\) This blurred the distinction between provident and superannuation schemes. According to a number of Assurance companies, superannuation was a generic term denoting all schemes that allowed for the payment of a stated allowance over a period of years or for life, after retirement from employment.\(^3\) For the purposes of this chapter, each company’s classification of its particular scheme is accepted. While it should be noted that provident funds were at times established for other purposes\(^4\), the old-age pension element of schemes is the primary focus of this chapter.

The chapter begins with an overview of the development, incidence and extent of provident and superannuation schemes in Australian industry. Provident funds were one of the first forms of industrial welfare in Australia. During the inter-War years and the post-War period superannuation schemes increased in popularity, although by the 1950s a significant number of companies were outsourcing the administration of their plans to specialist organisations.

Under the headings *Labour Supply* and *Managerial Prerogative*, the chapter examines the goals and strategies of companies operating pensions schemes. Pensions enhanced management’s ability to attract and retain quality employees, while at the same time reinforcing managerial prerogative by offering a way of releasing the unproductive worker without adverse repercussions. Managerial prerogative was also reinforced by way of the pecuniary penalties associated with industrial action and dismissal. In addition, pension schemes divided workers along the lines of age and length of service, and fostered
a common-interest culture at the workplace, potentially reducing individual and collective resistance to managerial control.

The chapter then discusses the characteristics of provident and superannuation schemes in Australia. The gender composition of the workplace is identified as having affected the extent and incidence of such schemes. The rules governing administration of the funds and the adequacy of benefits accruing from the schemes are also examined. This is followed by an analysis of labour response to provident and pension schemes in Australia.

Overview

The first official provident fund in Australia was that of the Bank of NSW. Established in 1862, the fund initially acted purely as a fidelity guarantee fund. Until 1862, every officer in the Bank’s employ was required to furnish a fidelity guarantee bond, either by payment of a premium to an insurance company or by arranging for a wealthy friend to act as a guarantor. The insurance company, or the friend, was then held liable for any losses sustained by the Bank as a result of the officer’s misconduct. In that year, this requirement was dispensed with, and as an alternative the Fidelity Guarantee Fund was introduced.  

The Fund was opened with a grant of 5,000 pounds from the Bank, and ongoing income was provided by contributions from each officer and interest on its accumulated funds that were placed on deposit with the Bank. While the original purpose of the Fund was for guarantee, the General Manager expressed the hope that eventually it would come to act also as a provident fund, ‘being made available to the Officers, or their families, under circumstances, say, of retirement, misfortune, illness, or death’. It was expected that income would exceed any defalcations charged to the account, and as soon as the accumulated funds reached 10,000 pounds, any further surplus from that time would be paid to a Provident Fund.  

In 1868, in anticipation of this development, the Fund was officially renamed the Fidelity Guarantee and Provident Fund. In 1873 the Bank made a further grant of 5,000 pounds, and finally, in 1876, the rules were amended and the Provident Fund was launched. The first retired pension was granted the following year. However, in announcing the
development of the Fund to include the element of providence, the General Manager stated that ‘Primarily it is a Fidelity Guarantee Fund, secondarily a Superannuation Fund, and only thirdly a fund from which, under special circumstances, temporary relief may be afforded to near relatives in case of death’. Thus, at this stage, the primary motive behind the Fund remained the guarantee factor.

Other companies to establish provident and/or superannuation schemes in this period include AMP and the National Bank. CSR established a Provident Fund following the 1890 general strike. While a previous Provident Fund had been limited to staff, the new scheme was extended to cover all employees. However, it was the period between the industrial unrest of the 1890s and the First World War that saw a notable increase in the popularity of such schemes. Companies such as Burns Philp and British Tobacco are prime examples, introducing a provident fund and a life assurance scheme respectively. Government enterprises followed, the NSW Railways inaugurating a superannuation fund in 1910. By the time the ACSI released its report in 1920, the vast majority of companies included in its study had introduced pension plans. However, despite the apparent popularity of such funds, alternative evidence suggests they were not broadly adopted, even by those organisations with welfare plans. A 1931 survey conducted by Mauldon found that, from the 76 private establishments with organised welfare schemes, 11 had provident and/or distress funds and 14 had life insurance, pensions and superannuation funds. Mauldon concluded that most welfarist employers preferred indirect rather than direct forms of money contribution towards welfare.

State initiatives in social security also limited the introduction of provident and superannuation schemes in Australian industry in the pre-World War Two period. Brandes notes that in the US, company provided pensions were designed to forestall legislation establishing universal and compulsory old-age pensions. In Australia, however, pensions were one of the first forms of social security to be provided by the state. Discussion surrounding the need for old-age and invalid pensions began with a NSW Select Committee as early as 1896. Similar inquiries were held in Victoria in 1898 and South Australia in 1899. NSW introduced the first old-age pensions in 1900. Residents over 65 years qualified for a non-contributory, means-tested pension if they were of ‘good character’ and had lived in the colony for at least 25 years. The first pensions were paid in 1901. Similar legislation was passed in Victoria around the same time and in Queensland in 1907. In 1908, the
Commonwealth passed the Invalid and Old-age Pensions Act. The old-age pensions, similar to that in NSW, commenced in 1909. The invalid pension, which applied to persons primarily incapacitated for work, began in 1910.\textsuperscript{13}

Evidence suggests that while support for state pensions was not universal, a significant proportion of Australian employers encouraged, or at least accepted, legislative innovations in this area. As noted in chapter three, employer support for old-age pensions was evident around the turn of the century. During the Second World War, significant groups of employers in Australia were in the forefront of movements for the reform of social security arguing that extended welfare could contribute to economic recovery and profitability for Australian capitalism in the post-war period.\textsuperscript{14}

How extensive were provident or superannuation schemes in the post-War period? The IWD conducted a survey on Superannuation Schemes in 1950 based on information available from the Personnel Practice Index. A total of 149 firms were reported to have superannuation schemes, comprising approximately 20 per cent of the total number of firms catalogued in the Personnel Practice Index. In addition, twenty firms reported to have provident funds, but only six of these were provident funds ‘in accordance with the definition’ provided in the introduction of this chapter.\textsuperscript{15}

Other evidence indicates the growth in the popularity of private superannuation schemes during the post-War period. A 1953 survey conducted by the Commonwealth Statistician found evidence that 18 per cent of the schemes were established before 1940, 37 per cent between 1940 and 1945, 24 per cent between 1946 and 1948, and 21 per cent between 1949 and 1952. In support of these findings, a 1957 AMP report noted that 80 per cent of existing superannuation plans had been formed within the previous 15 to 20 years.\textsuperscript{16}

Surveys conducted by the Commonwealth Bureau of Census and Statistics in 1955-56 and 1960-61 highlight the importance of business size and industry sector in the provision of superannuation schemes in private industry. The findings from the surveys are set out in tables 4.1 and 4.2.
Table 4.1

Percentage of Businesses Operating Superannuation, Pension or Retiring Allowance Schemes - 1955-56

<table>
<thead>
<tr>
<th></th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>26</td>
<td>66</td>
<td>94</td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>39</td>
<td>74</td>
<td>97</td>
</tr>
<tr>
<td>Other Industries</td>
<td>21</td>
<td>49</td>
<td>81</td>
</tr>
<tr>
<td>All Industries</td>
<td>28</td>
<td>64</td>
<td>92</td>
</tr>
</tbody>
</table>


Table 4.2

Percentage of Businesses Operating Superannuation, Pension or Retiring Allowance Schemes - 1960-61

<table>
<thead>
<tr>
<th></th>
<th>Small</th>
<th>Medium</th>
<th>Large</th>
<th>All Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manufacturing</td>
<td>42</td>
<td>70</td>
<td>93</td>
<td>54</td>
</tr>
<tr>
<td>Wholesale and Retail</td>
<td>56</td>
<td>80</td>
<td>96</td>
<td>64</td>
</tr>
<tr>
<td>Other Industries</td>
<td>36</td>
<td>63</td>
<td>88</td>
<td>45</td>
</tr>
<tr>
<td>All Industries</td>
<td>43</td>
<td>69</td>
<td>93</td>
<td>53</td>
</tr>
</tbody>
</table>

Note: State branches and Subsidiary companies were treated as separate businesses, even though their employees were covered by a scheme organised by their head office or parent company.


In both surveys, medium business (monthly payroll of between 3,000 and 20,000 pounds) and large firms (monthly payroll of over 20,000 pounds) were defined in the same manner. Small businesses included in the 1955-56 survey had a monthly payroll of between 500 and 3,000 pounds, while the 1960-61 included businesses with a monthly payroll of between 860 and 3,000 pounds in this group. Thus, the significance of the increased incidence of superannuation schemes for this group is difficult to assess. An increase of five per cent is
evident for medium businesses, and one per cent for large businesses. For all industries, large businesses as a group operated a greater proportion of schemes. Disregarding size, the wholesale and retail trade had a higher proportion of businesses operating schemes than had manufacturing, which in turn had a higher proportion than other industries.

In later years, a 1972 Department of Labour survey covering a wide sample of manufacturing and non-manufacturing firms Australia-wide found that 32 per cent of the superannuation schemes had been in operation for more than 15 years, and 15 per cent schemes had been in operation for longer than 25 years. Forty three per cent (or 305 of 703) of the schemes had been introduced to replace schemes which had previously been in operation, indicating an updating of perhaps less formal plans. Firms in Finance and Property had the highest proportion of long-established schemes – 24 per cent of schemes in this industry group had been in operation for more than 25 years. However, the low proportion of wages employees in the total workforce of this industry may explain the popularity of such schemes given the traditional emphasis on white-collar workers. In the Building and Construction group, 92 per cent of schemes had been in operation for less than 15 years, although half of these had replaced old schemes. In addition, large firms were more likely to have long-established schemes than small firms, and to have had some form of superannuation prior to the introduction of their current schemes.\textsuperscript{19} Thus, this survey, while conducted outside the period of welfarism, supports the trends found in earlier studies.

The surveys conducted in 1957 noted that the usual method of funding superannuation plans were by endowment assurance which combined the advantages of savings for retirement with protection for dependents in the event of death in the interim, or by internal company funds. In the case of the latter, the benefit on death was either restricted to the accumulated credit in the individuals account, or in some funds provision was made for death cover, usually taken with a life assurance office.\textsuperscript{20} A notable trend in the post-War period was the increasing number of companies turning to life assurance companies to administer the funds. This is indicative of the increasing formalisation of labour management in Australia. However, this also reduced the potential for pension schemes to control worker behaviour. Indeed, plans operated through life assurance companies often allowed workers upon leaving their place of employment to continue their policy, thereby minimising the dependency of the worker on the company.\textsuperscript{21}
Overall, the extent and incidence of superannuation schemes increased during the period of welfarism in Australia. However, the 1950 IWD report concluded that although superannuation schemes were comparatively numerous in Australian industry, few provident schemes were evident. While the term ‘provident fund’ was commonly used by companies to characterise their schemes in the 1920 survey, the 1959 special welfare issue of the Personnel Practice Bulletin did not note any firms with provident funds, although the majority operated superannuation schemes. This reflects the shift away from welfarism during the post-War period. The term ‘provident’ was associated with traditional welfare provision, and was therefore likely to suggest benevolence on the part of the employer. Superannuation schemes represented a more formal and systematic, and therefore more acceptable, method of providing retirement pensions for workers in the post-War period. A further indication of the increasing formalisation of labour management in Australia was the post-War trend of outsourcing the administration of superannuation schemes. In doing so, companies could devote more attention to the broader activities of personnel management while still providing for the future security of their workforce.

**Labour Supply**

Provident and superannuation schemes were a method of attracting and retaining employees. Indeed, in a paper presented to the Victorian Division of the Institute of Personnel Management (Australia) in 1957, C.W. Wiltshire of AMP partially contributed the significant increase in industrial superannuation in the post-War period to the labour shortages of the period. According to Wiltshire, ‘the existence of superannuation benefits was considered of material assistance in attracting labour and providing some degree of security for employees’.

Indeed, pensions helped to stabilise labour supply by way of the pecuniary penalties associated with resignation from the company. The 1920 ACSI study showed that, unless retiring or permanently incapacitated, employees generally forfeited all pension rights on leaving the service of the company. While the rules often provided for the reimbursement of worker contributions to the fund, in many instances the refund depended on length of service. In the case of CSR, any employee who had been a subscriber for less than five
years and voluntarily resigned from the company received half the amount the worker had contributed to the Provident Fund. Employees leaving the service after subscribing for more than five years received the whole amount of their subscriptions.\textsuperscript{27} The Bank of NSW Male Staff Provident Fund entitled an employee who resigned before reaching retirement age to a refund of his contributions, provided he had completed 15 years service.\textsuperscript{28} In other cases, no contributions were refunded to employees on resignation. While the male staff of AMP were required to contribute to the Officers’ Provident Fund, if retiring voluntarily without meeting the conditions for a gratuity (death or permanent incapacity), or a pension (on reaching 60 years, or in the event of proved incapacity for work after twenty years service), the officer surrendered all rights to the fund.\textsuperscript{29} While not the case with the Bank of NSW, employees in the banking industry generally forfeited pension rights and contributions on resignation.\textsuperscript{30}

In later years, pecuniary penalties continued to be associated with resignation, as demonstrated by a 1957 survey of superannuation plans in Australia.\textsuperscript{31} While in 26.1 percent of schemes employees received the total amounts credited to them, the majority were not as generous. In 25.1 percent of plans, employees were refunded their own contributions, and in 8.2 percent of cases they received their contributions plus interest. In 4.8 per cent of plans, workers surrendered the value of their insurance policy, in 14 percent of plans, employees received no benefits on resigning, and in 18.4 percent of plans payment of benefits was contingent on the decision of the trustees. Thus, the pecuniary penalties associated with resignation continued to restrict the mobility of labour during the late 1950s.

The eligibility clauses attached to pension funds also provided employers with a method of retaining quality workers. Generally, in order to qualify for a pension, an employee not only had to meet an age requirement, but also had to establish a long record of service. Findings from a 1920 study show that the most common length of service required was 20 years, although in the case of the NSW Railways and CSR, workers qualified after 10 years.\textsuperscript{32} This particularly limited the mobility of the older worker who, when beginning a new appointment, could reach retirement age before serving the requisite number of years for a pension. Length of service requirements for entry into schemes had a similar effect on labour mobility. A 1957 survey found that of the 152 plans for which information on this was available, the most common requirement for entry into a
superannuation scheme was one year’s service (36 per cent). Sixteen per cent required less than a year while the remaining 48 per cent required up to 20 years service. In the latter case, older workers risked reaching retirement age before even entering a scheme.

Maximum age limits for entry into schemes reinforced such restrictions on labour mobility. In the case of CSR in 1920, employees who joined the service after reaching the age of 45 were expressly denied entitlement to a pension. At AMP the age limit for entry into the scheme was 40. A 1957 survey of 227 superannuation plans in 215 companies and public corporations in Victoria found that maximum age limits were enforced in 105 undertakings. These limits ranged from 30 to 65, the most common being 55 years. However, of the plans for which maximum age limits were definitely stated, close to 90 per cent stipulated 50 years and over.

As the size of a pension was often determined on the amount and period of the employee’s contributions, younger workers could also be induced to remain with the one company. This inducement was enhanced by the ‘length of service’ requirements for entry into schemes since the newly appointed worker could not immediately begin accruing future security. In the case of provident funds, which sometimes provided for circumstances such as distress or disability, the new worker was also ineligible for the other benefits associated with the fund.

In summary, provident and superannuation schemes could secure labour supply in a number of ways. The pecuniary penalties associated with resignation could deter workers from leaving the company. Eligibility clauses relating to age and length of service also restricted labour mobility and helped to combat competition in the labour market - an employee would be less likely to forgo a pension for a small pay increase. Furthermore, the nature of these funds generally meant that the size of the pension increased with years of service, also providing an inducement for long service.

**Managerial Prerogative**

While pensions enhanced management’s ability to attract and retain quality employees, at the same time they reinforced managerial prerogative by offering a way of releasing the unproductive worker without adverse repercussions. The issue facing businessmen,
particularly as their workforces grew, was what to do with old and unproductive workers. If they simply ‘let them go’, the reputation of the firm could be destroyed, making it difficult to attract new employees and/or retain valued ones. It could ruin morale amongst workers, leading to inefficiency and disloyalty, and also lead to adverse public relations.\textsuperscript{38} Thus, pensions provided a method to gently ease the less productive worker into retirement without attracting an adverse or regulatory response from workers, unions or the Government.

According to Brandes, the main employer concern in setting eligibility rules for pensions was to avoid retiring the productive employee while retaining the ability to release the unproductive one. Thus, in the US there were different ages for retirement at the company’s discretion than for retirement at the employee’s request.\textsuperscript{39} In Australia, the age at which employees could retire by request varied between firms. A 1957 survey found that 65 was the most common age at which male employees became eligible for benefits – 75 per cent of the 209 schemes for which the information was available. Seventeen per cent of schemes had a retiring age of 60 years, while the remaining schemes varied. In three schemes no particular retiring age was set. The latter left management with the greatest discretion over retirement decisions. Retiring ages for women were lower, the most common being 55 years. Around two thirds of the 142 schemes for which the information was available maintained this age or lower. Twenty four per cent of the schemes had a retiring age for females of 60, and only 10 per cent had a higher retiring age.\textsuperscript{40} Unfortunately, while these statistics demonstrate the potential for employers to retain valuable workers until reaching a certain age, they do not specify whether they had the option to compel workers to retire at such ages.

In the case of Vacuum Oil’s pension scheme, an employee with twenty years continuous and satisfactory service to the company could, \textit{at the discretion of the directors}, on reaching the age of 65, be placed on the annuity roll. In addition, any employee between 60 and 65 could retire \textit{at the director’s approval}, and could be granted a 50 per cent pension until 65 years of age, and a 25 per cent pension afterwards.\textsuperscript{41} At Sands and McDougall (Printers and Wholesale Stationers), when an employee was \textit{considered} too old to work, he was given a pension for life.\textsuperscript{42} However, in both these cases workers were not required to contribute to a fund, the pension representing a direct payment from the
company. Such arrangements thus enhanced management’s discretion over deciding who was too old and who was still productive.

Pension schemes could also enhance managerial control over work effort and reduce labour militancy. The pecuniary penalties associated with leaving the company not only related to resignation, but also to dismissal and/or industrial action. As mentioned previously, workers’ generally forfeited pension rights when leaving the service of a company. In the majority of cases, the 1920 ACSI study showed that unless discharged for criminal misconduct, fraud or dishonesty, the workers’ contributions to the provident or pension fund were refunded in full on dismissal. However, under some plans, such as that of AMP, employees forfeited all rights to the fund if dismissed or ‘required to resign’, hence losing the pension and their contributions. This was common practice in the banking industry where employers frequently used their extensive powers of dismissal and retrenchment.

Pecuniary penalties continued to be associated with dismissal in later years. A 1957 survey of superannuation plans found that the total amount credited to the worker was paid in 19.3 percent of cases. However, in 29.6 per cent of plans employees were only refunded their own contributions, in 9.7 percent they received these contributions with interest, and in 7.7 percent of plans they received no benefits if dismissed from the company. In 4.8 per cent of schemes the employee surrendered the value of their insurance policy, and in 21.7 per cent, the decision to pay benefits rested with the trustees. The threat of dismissal as a control mechanism was thereby enhanced by the associated loss of contributions and/or pension rights.

Provident and superannuation schemes were often designed to prevent industrial action, particularly if it was company policy to dismiss striking workers. To deter workers from striking, the rules of some plans made direct and explicit mention of the penalties for industrial action. The proposed wages staffs’ Provident and Pension Fund of the NSW Railways’ (1889), for example, contained a clause which caused workers dismissed for criminal misconduct, default or refusal of duty to forfeit all claims to the fund’s benefits. While not making direct reference to industrial action, the rules of the CSR Provident Fund, established in 1890 following a general strike, clearly stated that any subscriber absent from employment for a period of one week without leave was ‘deemed to have resigned’. Since subscribers forfeited pension rights on resignation, by joining the 1917 general strike
(which lasted more than one week), 351 employees sacrificed the benefits accruing to them. In general, workers that went on strike did so at the risk of sacrificing future security.

In other cases, the entire existence of the fund rested on union avoidance. Contributions to the Burns Philp Provident Fund introduced in 1910, were described early on as ‘provisional’. This qualification was associated with union activity. As noted in the Annual Report of 1914, ‘Efforts continue to be made by agitators in several of the States to organise clerks’ unions, to gain voting power and harass employers. Any forced legislation to effect this purpose would necessitate the closing of this fund and return of all payments made.’

A further way provident and superannuation schemes could minimise labour militancy was by fragmenting the workforce. As noted in chapter two, the dynamic of fragmentation is counter-posed to that of collectivism. By dividing the workforce along certain lines, management could limit working class culture and cohesiveness. Provident and superannuation funds in Australia often differentiated between workers based on skill, gender, and age, and between those in the internal labour market and those on the peripheral. They also made distinctions between established and new workers.

Eligibility requirements, along with the pecuniary benefits associated with resignation or dismissal, could reduce labour militancy by dividing the workforce along age lines, and by distinguishing between established and new employees. Sacrificing future security was not of great consequence to the young or new employee, particularly if they had not yet qualified for the pension or had not yet contributed a large amount to a fund. However, such security was of utmost importance to older employees, particularly if they had accumulated a large amount for retirement. These workers would therefore be less likely to forfeit their rights to the fund by going out on strike. Further, as noted previously, the maximum age limits and length of service requirements for entry into many schemes meant that an older worker, on being dismissed for going out on strike, could be faced with the prospect of losing pension benefits from their original fund, and also of being ineligible for entry into a future fund. By splintering the workforce, provident and pension funds therefore reduced the strength and prospect of collective worker action.

Apart from age and length of service, provident and superannuation schemes divided the workforce along other lines in Australia. In the public sector, divisions based on
status were common. In 1884, the NSW parliament passed the Civil Service Act, which, amongst other things, provided for superannuation. According to Patmore, this Act assisted the ‘divide and rule’ philosophy of management by drawing distinctions between the various grades for entitlements. The Act’s full benefits only applied to senior and professional railway workers while stationmasters and clerks were entitled to the provisions for gratuities and superannuation, and wages staff only received superannuation if they made a successful application to the Civil Service Board.

Further, a very limited number of Australian provident and superannuation schemes covered female employees and only some included manual workers, usually only those earning full adult wages and with a certain length of service. In the case of the Bank of NSW, while the Male Officers’ fund was introduced in 1876 and the Women Officers’ Fund in 1938, the Wages Staff Provident Fund was not established until 1 April 1954. Provision for the payment of retirement and death benefits, however, continued to exclude temporary employees and those whose hours did not exceed twenty per week.

In some cases, membership of a fund was only allowed after invitation by or recommendation from either the Board of Directors or the Trustees of the scheme. A 1956 survey found that in only 36 per cent of the 209 superannuation schemes, all those satisfying the eligibility requirements were automatically accepted, while in the rest membership was by invitation. Invitation-only plans could encourage loyalty and cooperation from those employees seeking inclusion, and increase the loyalty of those workers already accepted. Moreover, in line with the above argument, such plans also tended to splinter the workforce along the lines of the ‘have’ and ‘have nots’.

Indeed, loyal and co-operative service was subtly promoted through the provision of pensions. The idea was that workers, if convinced of the company’s genuine concern for their current and future wellbeing, would return such loyalty in the form of increased labour effort and long service. For example, Vacuum Oil Company’s Pension and Death Benefit Schemes were introduced to encourage among all grades of the permanent staff (a) loyalty and length of service, (b) the true spirit of co-operation, and (c) contentment on the part of employees in their work and environment. The Griffiths Bros.’ (Tea Merchants) Provident Scheme had the explicit aim of retaining a spirit of mutual confidence and goodwill between employer and employees by keeping in personal touch with the conditions of their lives and by giving advice and pecuniary assistance.
Nevertheless, worker gratitude for pensions generally grew out of their fear that old age and death would leave them and their families in poverty. Indeed, the Wages Staff Provident Fund, Bank of NSW, was ‘designed to relieve the employee during his working life of the fears and doubts that otherwise the future might hold.’\textsuperscript{58} Thus, if workers saw their future security and that of their families tied to the company, it was expected that they would not risk their stake in its success by restricting work effort, pushing for higher wages or going on strike. Employees would therefore work co-operatively and harmoniously to ensure the efficiency of the organisation.

In summary, provident and superannuation schemes could reinforce managerial control over the workforce and personnel decisions in a number of ways. Firstly, these schemes made it easier to ‘let-go’ of less productive workers without attracting an adverse public reaction. In some instances, management reserved the right to withhold pensions, thereby ‘encouraging’ productive workers to remain with the company. In addition, provident and superannuation schemes could enhance employer control over work effort and reduce labour militancy - managers could compel employee obedience and punish non-compliance through the threat of dismissal and the consequent loss of benefits. This also served to divide the workforce along the lines of age and length of service, reducing collective action and resistance to management authority. Finally, pensions could build worker loyalty and commitment by fostering a common-interest in the success of the business. This in turn reinforced the company’s control over the labour force.

\textbf{Characteristics of Schemes}

\textbf{Gender}

The distinction between male and female employees as beneficiaries of pensions was not simply a strategy of fragmentation, but also a reflection of the perceived role of women in the workforce. Particularly in the period prior to the Second World War, the general consensus in society was that the female worker was a secondary wage earner and probably a transient who would leave the workforce upon marriage.\textsuperscript{59} Indeed, in the retail industry, Marcus Clark found that in the first two years of its fund’s operation (1917-1919), the majority of worker contributions refunded from the fund were to female employees leaving
the company to be married.\textsuperscript{60} Employers of women were therefore less likely to provide pecuniary benefits, particularly pensions.

Consequently, welfare schemes in the predominantly female retail industry in Australia were more likely to be directed at social life and recreation. The state supported this idea, the ACSI in 1919 advising employers of women to focus on organising the social life and recreation of their workers, and those with a male workforce to emphasise wages and working conditions.\textsuperscript{61} This attitude was typified by the Anthony Horderns Staff Dining Room Supervisor who explained to the \textit{Home} magazine in 1926 that welfare schemes acknowledge that ‘young girls of 20 or so do not live to work – they work to live’.\textsuperscript{62}

In post-War years, attitudes gradually adapted to meet the growing number of females entering the workforce. Married women also entered the workforce in unprecedented numbers during this period, further challenging earlier assumptions. While in 1933 the number of married women aged between fifteen and sixty-four was 5.4 per cent, this figure was 30.5 per cent in 1954, and on the rise.\textsuperscript{63} The Bank of NSW was ahead of its contemporaries by inaugurating the Women Officers’ Fund in 1938. A 1957 survey of Victorian industry highlights the increasing popularity of women’s schemes during the post-War period finding that, from 227 superannuation schemes, 142 operated for female employees.\textsuperscript{64} The enduring division between male and female workers, however, is also evident from these findings.

\textbf{Administration}

According to Brandes, industrial pension plans of the 1920s in America were of three basic types. First, there was the completely arbitrary or informal scheme. In this case, the employer decided, more or less on an ad hoc basis, every feature – the recipient, amount and duration of the pension. The second type – the ‘formal-discretionary type’ - was slightly more systematic. While the employer still retained full authority to grant, deny, abandon, or alter pensions, fixed regulations for eligibility were established, and administration of the program was delegated to a committee of subordinates. More advanced, but less common, was the ‘limited-contractual’ type of plan in which employers surrendered none of their discretionary rights, in fact, they assumed no legal obligation at all apart from promising not to reduce a pension once it had been granted. In the US,
approximately 72 per cent of the plans were of either the informal or the formal-discretionary type, while about 25 per cent were of the limited-contractual variety.\textsuperscript{65}

Provident and superannuation schemes in Australia appear to follow this trend. Tooth & Co. provides an example of an informal and arbitrary plan. In 1913, the company instituted a benefit fund for all employees in the event of death or disablement in the Company’s service. In the case of death, an allowance to the widow or other dependents of the deceased was provided at a sum of one month’s pay for each year of service, although the sum could not exceed 300 pounds. In the case of long-term or permanent incapacity resulting from accident or illness, each case would ‘be considered by the Directors, and relieved according to their discretion, having regard to length of service, nature of injury or illness, and other surrounding circumstances.’ Clearly then, loyalty to ‘the service’ increased any chance of an ad hoc payment in the event of an incapacitating illness or accident. From this fund, special grants or pensions were also provided at the sole discretion of the Directors.\textsuperscript{66}

Vacuum Oil’s Pension and Death Benefit Scheme was an informal version of the limited-contractual type plan. Employees did not contribute to this plan, the company assuming the entire cost. Nothing was guaranteed however, and the directors reserved the right to abolish or modify the annuity payments and conditions. The death benefit allowance was equally discretionary in that the directors may grant an allowance to the dependent family, or members of family, of any deceased employee.\textsuperscript{67}

The majority of Australian schemes, however, tended to be administered by a board of trustees elected from a range of sources. From the 12 provident schemes and benefit societies included in the ACSI’s 1920 survey, 10 were administered by a board of trustees (the remaining two not specifying how the fund was managed). In some cases, management retained full control over the administration of funds. The trustees of the AMP Officers’ Provident Fund, for example, consisted of the Chairman of the Board, another director, the Actuary and the Chief Clerk at the head office.\textsuperscript{68} Administration of the CSR Provident Fund and Benefit Society, while appearing to include the voice of employees, remained primarily in the control of management. The five trustees were the General Manager or Acting General Manager of the company, who was the chairman, two salaried officers elected by the staff, and two foremen on weekly wages chosen by the directors.\textsuperscript{69} Given this make up, it is safe to assume that the decisions of the chairman would rarely be challenged.
Indeed, overseas evidence suggests that, even in the case of joint-administration, management often interceded to insure that they had some control over who was elected.  

According to Nelson, there are several reasons why employers sought to retain control of the funds. Firstly, employers wanted to ensure that the specific objectives behind the schemes were realised. Secondly, they were concerned that agitators and trade unions would capture the funds and benefit societies. And thirdly, welfare work, being paternalistic by nature, was often introduced to aid people who were considered incapable of intelligent decision making.  

However, in contrast to this view, there were cases of fund management being left in the hands of the workers themselves. For example, the Provident fund of Farmers was managed by a committee elected by the employees from their own members, Albeit, in general, the boards or committees administering funds consisted of both worker and managerial representatives. The managing committee of Cuming Smith’s (Chemical and Manure Manufacturers of Victoria) Employees’ Benefit Society consisted of a president, two vice presidents, and eight members elected annually. Seven members of the committee represented different classes of employees, and one represented the firm. The Treasurer of the society was the firm’s manager and the Secretary was elected annually by the employees and paid a salary. There were also two other trustees, one appointed by the employees and the other by the firm. At Marcus Clark, the Board of the Assurance and Welfare Fund was composed of six trustees, three elected by the enrolled employees and three appointed by the company.  

Other funds openly encouraged union representation on these committees. For example, at the Broken Hill Associated Smelters at Port Pirie, a Provident Fund was established in 1918 to help employees in distress. Discretion rested with the committee to decide the amount of money to be lent, the security required, and the terms of the repayment. The committee of six was nominated by the General Manager, three from the general employees, and three from the staff. As a sign of co-operation by the company, the first three employee representatives were union secretaries. In a highly organised workplace, such arrangements were often necessary to build the trust and co-operation of the workforce.  

The administration of provident and superannuation funds often created new and onerous burdens for managers and their associates. While traditionally such funds were
administered internally, often with the advice of an actuary, in the post-War period an increasing number of companies turned to outside organisations to administer the funds. These organisations included life or general insurance offices, unit trusts, banks, superannuation companies, permanent and co-operative building societies, and friendly societies.

Surveys conducted in 1955-56 and 1960-61 sought information on private pension and retirement schemes in Australia.\(^75\) The 1955-56 survey discovered that the majority of businesses included in the survey operated their schemes solely through life assurance companies – 75 per cent of small businesses (up to 40 employees), 71 per cent of medium businesses (40-250 employees) and 52 per cent of large businesses. Thirty-two per cent of the large businesses operated their own funds as compared with 18 per cent of both the small and medium sized businesses, probably owing to the cost of administration. The 1960-61 survey found that 71 per cent of small businesses, 65 per cent of medium businesses and 44 per cent of large businesses operated their schemes solely through life assurance companies. While this suggests a decrease, schemes combining life assurance and a superannuation etc. fund, surveyed as a separate group, were on the increase. Some businesses also made direct payments of pensions and retiring allowances either instead of, or in addition to, a scheme through a life assurance company or an internal fund. The 1960-61 survey found only one per cent of businesses for all three business size groups providing pensions by direct payment only.

In a 1957 paper, Wiltshire from AMP explained the advantages of both life assurance schemes and private funds. Private funds were reportedly favourable in terms of the benefits received. On resignation of an employee the amount standing to his/her credit in the fund would be somewhat greater than the surrender value of an endowment assurance policy. Further, as the interest earnings of a properly constituted fund were not subject to taxation the private fund was favourably placed to offer a better interest return than a Life Office. According to Wiltshire, the advantages of outsourcing to life assurance companies included, security - the policy was backed by the assets of the life company, the relief of responsibilities of administration and investment for employers, expert investment decisions, that the scheme operates satisfactorily irrespective of the workforce size, and that upon leaving his/her place of employment, the employee may continue his/her policy, thus retaining cover.\(^76\)
This last advantage had the effect of increasing worker mobility, thereby reducing the dependency of the worker on the company. Indeed, a 1957 survey of endowment schemes and private funds found that from 207 schemes surveyed, 40 had provisions to enable a member to transfer to a scheme conducted by another undertaking. The increasing popularity of outsourcing schemes to life assurance companies therefore reduced the traditional role of pensions in controlling the labour force.

Thus, by the mid-1960s, the outsourcing of superannuation schemes to life assurance companies was an increasing trend. This was not only indicative of the increasing administrative burden of such funds, given the growing number of employees in many organisations, but also of the increasing formalisation of labour management in Australia. By shifting the administration to outside organisations, companies could devote more attention to the broader activities of personnel management, as well as reduce the accusations of benevolence associated with welfare provision.

**Adequacy**

According to Brandes, US evidence suggests that employer-operated pension plans could never become a satisfactory means of supporting elderly workers in an industrial society. Firstly, managerial discretion over the administration of benefits, and the harsh eligibility clauses attached to the funds, restricted the number of beneficiaries. Secondly, the effectiveness of pension plans in the US was limited by the overall adequacy of payments.

Unfortunately there is no evidence of the number of people retiring under industrial pension schemes in Australia in the period under investigation. Company publications naturally promote their unmatched generosity. However, discretionary payments were often minimal in times of need, as highlighted by Tooths’ Benefit Fund. While essentially designed for workers and their dependents in the event of death or disability, grants and pensions were also provided from this Fund at the discretion of the Directors. However, the financial constraints of such acts of ‘kindness’ were most apparent at the times when loyal, long-serving employees required them the most, in this case during the economic depression of the 1930s. Given only a week’s notice of retrenchment, many workers, and/or their spouses, forwarded letters to the company requesting consideration for provision from the Fund. These requests were mainly based on the length of service, averaging 18 years, and the fact that others, with less service, had received payments. Such requests were
generally answered with the stock reply – any special payments outside the scope of the Fund are made as an act of grace, and we are sorry we are unable to help you. 79

Employees retiring from Tooth & Co. also found the payments they received inadequate during this period, particularly since former retirees had received more consideration. Again, the retirement allowance was left solely to the discretion of the directors, with each case being dealt with ‘on its merits’. In a reply to a former employee in 1931, it was admitted that ‘Owing to the unusual number of calls we have had to meet lately, we regret that we are unable to deal more sympathetically with your position’. 80

There is also evidence that the more formal, systematic pensions schemes in Australian industry were not always adequate to meet the needs of the workers. In 1898, an English actuary reporting on the provident fund of the Bank of NSW expressed his opinion that it would ‘continue to be in the future, as it has been in the past, a marked exception to the general run of such funds which are commonly a source of bitter disappointment to officers who have relied upon them as a provision for advancing years’. 81 This claim offers a rather negative indication of the general state of pensions given that, at this stage, the Bank of NSW was not offering significant payouts. Due to the level of the Fund’s assets, and the modest contributions made by officers in the early years, payment of large pensions were not possible.82 This was particularly so in the case of widows for which provision was made in the fund’s constitution. These provisions were extremely modest and limited in terms of years.83

In recognition of this, two days after the first widow’s pension was granted from the Fund, Mr. Thomas Buckland (then a Director, later President of the Bank) made a donation of 1,000 pounds with which to start a fund (the Buckland Fund) with the principle objectives being the alleviation of the plight of officers’ widows. In donating a further five hundred pounds in 1895 he wrote, ‘We have seen how the Board has been embarrassed in dealing with the cases of retiring, or the widows or children of deceased officers, whose needs the Trustees of The Fidelity Guarantee and Provident Fund could not legally relieve.’84

While a number of developments occurred over the following years,85 to make ends meet widows continued to rely on the gratuitous grants from the Buckland Fund. It was not until 1938, the same year the Women’s Officers’ Fund was introduced, that the Bank introduced a widow’s pension. This was 12 years after the NSW Government had
introduced a similar scheme. While recognised by the Bank at the time as inadequate\textsuperscript{86}, revisions to benefits were not made until 1956, with the new basis for determination coming into operation in January 1957. This new basis provided more protection for the widows and children of younger officers who were not previously eligible for benefits, increased the level of benefit for the families of the older officers, and incorporated additional provisions to cover the case of officers who died without leaving any dependents. These developments were seen by the Bank as taking the fund ‘to an important stage in a process of evolution reaching back almost a century’, and noted that ‘its death benefit provisions now rank amongst the leading pension funds of the world.’\textsuperscript{87}

Benefits from schemes usually varied in accordance with the amount of employee and/or management contributions. In the minority of cases pension schemes were non-contributory for employees. Of the 12 provident funds included separately in the ACSI 1920 report, only 3 operated non-contributory funds on the part of employees. In the majority of cases, both the employer and the employees contributed to provident and superannuation funds.\textsuperscript{88} While often due to financial considerations, contributory plans also appeared less benevolent. This was significant to those employers anxious to deny any element of altruism in their welfare schemes.

The proportions contributed by the employer and the employee varied considerably. Equal contributions were popular, although in many cases, the employer contributed more than the employee. In general, contributions by both employers and employees were calculated as a percentage of the employees pay.\textsuperscript{89} In other plans, the amount contributed by each employee varied according to factors such as age, date of entry to the scheme, and status. Alternatively, the same fixed amount was contributed by all employees, or in the case of many individual insurance policies, employees contributed a percentage of the insurance premium. In some schemes, the contribution by the employer depended on the amount needed to maintain the fund at a sufficient level, as determined by actuaries.\textsuperscript{90} This appeared to be a common practice during the early part of the century with undertakings such as the NSW Government Railways adopting this approach.\textsuperscript{91}

Another feature affecting the adequacy of pensions was the method in which they were paid. The majority of superannuation schemes of all descriptions in post-War Australia were based on endowment assurances. This meant that employees would receive a lump sum at retirement as opposed to a pension payable during the years of retirement.
While overseas a pension was the normal and preferable (for both employers and employees) type of benefit, in Australia there was a distinct preference for cash sums, arguably because they were more appropriate to Australian conditions both from the standpoint of taxation and social service benefits provided by the State.\textsuperscript{92}

However, for many workers, such a system left them with inadequate funds in the long term. In a paper presented to the Actuarial Society of Australasia in 1956\textsuperscript{93}, F.J. Young argued that a pension rather than a capital sum was desirable at retirement. By providing a pension, ‘an employer endeavours to ensure that a retired employee (and his wife) will continue to receive throughout their future lifetime an income commensurate with the service the employee has rendered to the employer and with the salary he received during that service.’ Unless the employee had outstanding capital commitments at retirement, in which case a lump sum was more adequate, an individual required a basic income on which to live.\textsuperscript{94}

Young further noted that employers were reluctant to provide cash sums at retirement due to the danger of the retiree dissipating the sum and later returning to the employer for financial assistance. According to Young, the vast majority of retiring employees had little or no investment ability. Particularly in times of inflation, there was a tendency for retired employees to live, in the early years after retirement, at a standard higher than their resources would permit, thus reducing their standard of living in later years. In addition, there was always the possibility of an employee investing the cash sum in an unsound enterprise with the risk of losing the entire amount.\textsuperscript{95}

Regardless of the method of provision, the adequacy of retirement benefits varied considerably. Respondents to the 1957 survey who paid a lump sum on retirement were asked how many years’ pay it would represent after certain lengths of service. In terms of salaried staff, after 20 years of service, benefits ranged from 6 months to 6 years, the average being 2 years. After 30 years benefits ranged from 9 months to 8 years, the average being 2.9 years, and after 40 years of service, benefits ranged from 1 to 13 years, with an average of 4 years. Wages staff benefits were just as wide ranging. After 20 years of service, benefits ranged from 6 months to 5 years, averaging 1.8 years, after 30 years they ranged from 6 months to 6 years, averaging 2.5 years, and after 40 years of service, benefits ranged from 6 months to 12 years, with the average of 3.7 years.\textsuperscript{96} Clearly some schemes
were more generous than others, but were rarely sufficient to support the retired in the long term.

Fifty-seven of the 227 schemes provided for pensions either as the only form of benefit or as an alternative to a lump sum payment. Of the 39 replying, 16 companies reported that the pension was based on actual pay at retirement, while in the other 23 schemes it was based on average pay over a defined period before retirement. In close to half of the 57 schemes, the pension was payable for a fixed number of years, usually 5 years, while in the others the pension was payable during the lifetime of the retired employee. In 29 of the schemes there was a provision for the payment of the pension to be continued as long as either the member or his/her spouse was alive, although this was usually offered as an alternative to the normal pension arrangement and the pension was paid at a reduced rate.97

While perhaps adequate in a stable economic environment, the real value of pensions and lump-sum payments were eroded during periods of inflation. The 1957 survey found that only four of the 227 respondents stated that they made provision for the adjustment of pensions in the event of inflation. Benefits were at times supplemented - in 10 schemes these supplements were provided to all beneficiaries, and in 75 schemes they only applied to some beneficiaries. The reasons for these supplements included the need to bring pensions up to a predetermined level, to distribute a form of bonus in favourable years, or to reward senior members or those with exceptionally long service.98 Employers, therefore, varied in their attitudes to retired employees. While some maintained a duty of care, at least to highly valued employees, others relinquished all obligations once the pension was paid.

Furthermore, state-provided pensions offered workers an alternative source of security in their retirement years and in the event of incapacity from work. Thus, the provisions from company schemes needed to be superior to government payments if they were to attract the desired results. The 1957 survey found that the majority of superannuation schemes were not planned with a close eye on social legislation. Only 35 schemes had been specifically designed to supplement social services benefits.99 This does not conclusively indicate that the benefits offered by other schemes were not superior to government pensions. However, the above evidence on the adequacy of payouts suggests that, in general, any difference between private and public pension benefits was marginal.
Thus, the adequacy of benefits received from provident and superannuation funds varied. Evidence from the early years of the 20th century suggests that payments were not overly generous, particularly given the discretionary nature of many schemes. While increasingly formal and systematic, the superannuation schemes of the post-War period continued to vary in terms of adequacy. This limited their ability to increase worker dependency on the company, particularly given the alternative source of security by way of state-provided pensions.

**Labour Response**

Resistance and opposition to provident and superannuation funds in Australia was not common. However, distrust and suspicion on the part of some unions towards these schemes was particularly evident in periods of industrial tension. In the case of the NSW Government Railways, the Pension and Provident Fund proposed by Commissioner Eddy in 1889 (on the eve of the ‘Great Strikes’) was met with strong opposition from the Amalgamated Railway and Tramway Service Association (ARTSA). Amongst its concerns were the divisive effect the fund had between salaried and wages staff, that subscribers did not have sufficient control over the fund, and that the Commissioners were simply attempting to evade the Employers’ Liability Act. The ARTSA opposed the Bill (introduced to Parliament on 28 August 1890) by political lobbying. It was joined in its resistance by the Locomotive Engine Drivers’, Firemen’s and Cleaners’ Association (LEDFCA) who also took political action against the Bill for much the same reasons. An additional motive is also evident though, in that the proposal was destined to undermine the various existing societies that provided similar benefits. This would mean the loss of a valuable recruiting device for both the ARTSA and the LEDFCA.100

A ballot was held to test the attitude of employees towards the fund. Not only was the fund rejected, there were parliamentary allegations that railway officers intimidated employees into voting in favour of the scheme. Such intimidation led the union to declare that it would reject a ballot in favour of the Fund. The Bill was eventually withdrawn. However, events over the next few years indicate the workers’ desire for financial security despite union opposition. On several occasions employees requested the reintroduction of
the scheme, although the financial constraints of the 1890’s economic depression prevented management from entertaining the idea. 101

The ‘fidelity guarantee’ element of some provident funds also led to worker action against such schemes. An 1893 proposal by Burns Philp, to introduce a provident fund to provide small pensions for employees, was met by opposition from Townsville staff, leading to abandonment of the idea. Worker resistance was partly due to the association of the scheme with the guarantee fund that had been in operation previously, a fund the employees had resented. It was not until 1910 that the idea was revived in the form of a provident fund providing for sickness, disablement or death of employees.102

John Hill partly attributes the unionisation of the banking industry in Australia in 1919 to bank policy towards employee provident and fidelity funds. While not the case with the Bank of NSW, according to Hill, banks in Australia generally operated a Provident Fund, to which both banks and employees contributed, and a Fidelity Guarantee Fund, which provided the bank with some security should the officer default with bank funds.103 While there was little employee objection to the actual concept, conflict frequently arose following the resignation or dismissal of an officer since, as previously mentioned, bank officers were not entitled to the return of any contributions made to either of the funds. This was of some significance, given that the banks frequently used their extensive powers of dismissal and retrenchment. 104 As a former employee of the Commonwealth Bank of Australia, dismissed for ‘incompetence’ in 1924, complained ‘I have completed 25 years service, and during that period estimate that I have paid the bank in the vicinity of 200 pounds towards the Provident Fund. They refuse to pay me’.105 Such arrangements added to the overall discontent of bank employees, and by late 1920, union membership among employees of the Commonwealth Bank was 69 per cent.106

Despite such examples, direct opposition to provident and superannuation funds was rare. Indeed, worker support is indicated by the findings of a 1957 survey which reportedly challenged the idea that employees generally, and particularly in certain classes of industry, would not welcome the formation of superannuation plans if they were required to make contributions. ‘An analysis of a number of these types of schemes revealed that 97 per cent of employees to whom membership was offered availed themselves of the opportunity to join’. This, according to the researcher, ‘is convincing evidence of the desire
of employees to have suitable provision made for their ultimate retirement and for the protection meanwhile of their dependants.\textsuperscript{107}

While workers generally participated, either voluntarily, or without opposition in the case of compulsory plans, this does not necessarily mean that the schemes had any real effect on worker behaviour. A 1950 survey received reports from three firms on the value of their superannuation schemes. Two firms expressed doubt as to its value as a means of stabilising labour, while one claimed its scheme had been useful.\textsuperscript{108} During the mid-1960s, the Group Personnel Officer of Bradford Cotton Mills noted that although the Company’s Superannuation Fund was designed to reward long service, ‘it is not our experience that membership of the Fund alone had any real effect on the stability of employees. It is much more usual for Mill employees to time leaving in terms of long-service leave entitlement rather than with any consideration of losing the Superannuation Fund benefit.’\textsuperscript{109}

A public opinion poll conducted by \textit{The Melbourne Herald} in 1947 found that 58 per cent of respondents preferred guaranteed regular employment to good pensions at retirement, better physical working conditions, a share of each year’s profits, bonuses for good production, or a shorter working week. Australian Paper Manufacturers Ltd. used these findings, along with overseas evidence, to launch a scheme based on employment security rather than retirement security. A report published by the Superintendent of Personnel for the company stated that a worker’s sense of security is threatened by three main fears – that of sickness, of unemployment, and of old age. ‘The first two fears are immediate and ever-present and therefore are more dominant in the minds of workers than is the fear of old age, except in the case of those who are approaching the age when they feel they will shortly be unable to continue working.’\textsuperscript{110}

The failure of the CSR Provident fund to prevent certain workers going out on strike in the 1917 General Strike lends weight to this argument. The striking workers represented nearly 30 per cent of the wage-earners who were members of the fund.\textsuperscript{111} Immediate working arrangements were clearly more important to these workers than was future security. Such attitudes limited the effectiveness of provident and pension funds as a method of worker control.

Overall, apart from a few cases of resistance from workers and/or unions, provident and superannuation schemes were generally accepted and appreciated by Australian labour. However, evidence suggests that, in many cases, these funds alone did not greatly influence
worker behaviour. Future security was not always a high priority for younger workers. More often, these workers were willing to sacrifice long-term security for immediate improvements in their working lives. Further, state pensions gave workers an alternative source of income in retirement, and provided for dependents in cases of death or incapacity. Both factors limited the value of provident and superannuation schemes to the company.

**Conclusion**

Provident and superannuation schemes were among the first attempts of Australian employers to provide for the welfare of their employees. The evidence suggests numerous motives behind the introduction of the funds, as well as a wide range of arrangements governing participation in and administration of the funds. The adequacy of funds as a method of supporting the elderly and/or needy was influenced by a number of factors including eligibility clauses, administration arrangements, and the method and amount of payment.

While, in the 1890s, provident and superannuation funds provided workers with future security that was otherwise unavailable, as state social legislation developed, worker dependence on the company was gradually eroded. The limited number of employers providing provident and pension schemes in 1931 is indicative of this. In general, larger companies with the financial resources to offer benefits above those of the state were the leaders in the provision of formal pension schemes. Smaller firms were more likely to provide for their employees on an ad hoc basis, or not at all.

As labour management became more formalised and professional in post-War Australia, employers sought to outsource the administrative duties of their funds. In doing so they released their discretionary powers over the administration of the funds. Thus, though still an important method of attracting employees, the value of these schemes as a labour control strategy diminished, particularly as funds became mobile and employees were able to transfer their benefits to competitor’s schemes. Overall, while superannuation schemes increased in popularity during the 1960s they were no longer used in the same fashion as during the period of welfarism.
1 ‘Employee Benefit Schemes in Industry’, 8 May 1950, DLNS minute and attached report, AA, Series SP 146/1, item 575/1/6.
2 This is evident from the ACSI’s 1920 study, Industrial Co-operation in Australia.
3 ‘Employee Benefit Schemes in Industry’, 8 May 1950, DLNS minute and attached report, AA, Series SP 146/1, item 575/1/6.
4 For example, the Provident Fund of the Broken Hill Associated Smelters at Port Pirie, South Australia was established to help employees in distress; ACSI, Industrial Co-operation in Australia, p.11.
5 ‘Revision of Provident Fund Death Benefits’, Bank of NSW Archives, 82-26, 1134.
6 ibid.
7 ibid.
8 ACSI, Industrial Co-operation in Australia, p.33.
9 Patmore, Australian Labour History, pp.141-145.
10 ACSI, ‘Industrial Cooperation in Australia’.
12 Brandes, American Welfare Capitalism, p.106.
14 ibid, 23. Such controversies were evident in the Federal Government’s proposal to partially ‘nationalise’ employees’ superannuation and provident funds in November 1960. The Federal Treasurer, Mr Holt, announced that legislation would be introduced in 1961 ‘which will require these funds to hold a minimum of 30 per cent of their assets in the form of public authority securities, including at least 20 per cent in Commonwealth securities’. This announcement was met with a flood of protests from employers, not least from Banking Groups that administered many of these funds. In the face such protests, the plan was quickly abandoned, ‘Hands off Super Funds’ South Australian Bank Officials’ Journal, February 1961, Bank of NSW Archives, 82-26/1130; ‘Government Abandons Invasion of Superannuation and Provident Funds’, The Banker, March 1961, p.5, Bank of NSW Archives, 82-26/1130.
17 Anon, ‘Private Pension and Retiring Allowance Schemes 1955-56’, PBP, Vol.XIII, No.4, December 1957, p.42. The survey was based on a sample of businesses subject to payroll tax. The businesses covered employed approximately 85 per cent of the total number of employees in private industry. Government airlines and banks were included if employees were contributing to their own funds instead of State or Commonwealth Superannuation Funds, but other government undertakings were excluded. Rural industries, private domestic services and coal mining were also excluded.
18 K. J. Hollis, ‘Private Pension and Retiring Allowance Schemes – A Survey’, PBP, Vol 19, No.4, December 1963. The Commonwealth Statistician’s sample for the survey comprised 4,500 businesses employing about 79 per cent of all employees in private employment, excluding those employed in rural industries and in private and domestic service. Approximately 2, 500 were engaged in manufacturing, 800 in wholesale and retail trade, and 1,200 in other industries. Government airlines and banks were included if contributing to their own separate funds rather than to the State or Commonwealth superannuation funds, although other government business undertakings were excluded.
19 C. Baker, ‘A Survey of Private Superannuation Schemes’, PBP, Vol.29, No.1, March 1973, pp.9-43. The survey covered all schemes that primarily provided employees with financial benefits on retirement, and that was partly or wholly financed by company contributions. It therefore included pension funds, retirement benefits plans, provident funds, etc., that met these conditions, p.9.
22 DLNS minute and attached IWD report, Employee Benefit Schemes in Industry, 8 May 1950, AA, Series SP 146/1, item 575/1/6.
23 ACSI, Industrial Co-operation in Australia.
25 Wiltshire, ‘Industrial Superannuation and Insurance’, p.17. Other reasons for the increase in the acceptance for superannuation according to Wiltshire included: a realisation and an acceptance of a moral obligation on the part of the employer; an attempt to improve employer-employee relationships; a general trend to provide

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more amenities for staff and to make service with the employer more attractive; larger profits and high
cOMPANY tax rates (from which superannuation plans were deductible).

26 ACSI, *Industrial Co-operation in Australia.*
27 ibid, p.34.
29 ibid, p.39-40.
30 J. Hill, *From Subservience to Strike. Industrial Relations in the Banking Industry*,
University of Queensland Press, St. Lucia, 1982, p.15.
35 ibid, p.39.
38 ibid, pp.104-105.
39 ibid, p.108.
41 ACSI, *Industrial Co-operation in Australia*, p.36.
42 ibid, pp.41-42.
43 This applied to the funds of Marcus Clark and CSR, ACSI, *Industrial Co-operation in Australia*, pp.31 &34.
45 J. Hill, *From Subservience to Strike*, p.15.
49 K. Buckley and K. Klugman, *The History of Burns Philp. The Australian Company in the South Pacific*,
50 Similar conclusions were made by Brandes in respect to the US where the effects were made more severe
by the employment policies of employers. As a practical matter companies in the US established upper age
limits for hiring, in most cases 45, so that no one would reach retirement age without having served the
requisite number of years for a pension. Thus, a striking worker over 45 would be faced not only with the
loss of pension rights, but also with finding him/herself unemployable. Brandes, *American Welfare
Capitalism*, p.108.
51 Patmore, *A History of Industrial Relations in the NSW Government Railways*, p.22.
52 J.R. Hay, ‘For the benefit of the company’: the development of employers’ welfare
The dual goals of welfarism – the creation and the control of labour stock – are evident in the case of
workforce fragmentation. Indeed, the focus of pecuniary welfare programs on skilled workers at the
exclusion of the unskilled was a common trend in the US. According to Jacoby, this reflected the desire of
employers to retain skilled workers, as well as the lack of union membership amongst unskilled workers,
Jacoby, *Employing Bureaucracy*, p.53. The latter does not apply in the Australian context since the
organisation of unskilled workers pre-dates the period of welfarism. However, the limited number of
schemes for manual workers may reflect the need to attract and retain salaried and supervisory staff in
Australia.
54 ‘Employee Benefit Schemes in Industry’, 8 May 1950, DLNS minute and attached report, AA, Series SP
146/1, item 575/1/6.
56 ACSI, *Industrial Co-operation in Australia*, p.36.
58 *The Etruscan*, Dec 1954.
60 ACSI, *Industrial Co-operation in Australia*, p.32.
61 ACSI, 1919, p.21.

63 Patmore, Australian Labour History, pp.170 & 175.


67 ACSI, Industrial Co-operation in Australia, p.36.

68 ibid, p.40.

69 ibid, p.33.

70 Nelson, Managers and Workers, p.118.

71 ibid, p.119. In Australia, Reekie has argued that welfarism ‘retained elements of nineteenth century paternalism and continued the state’s concern for female workers in its insistence on the need to safeguard the health of those destined to be the “mothers of tomorrow”. Women, according to Reekie, were perceived by employers and the new industrial relations experts as less capable of taking care of themselves than men, and unable to make intelligent decisions, resulting in them being less efficient workers. It is for these reasons that the rise of welfare schemes is at times attributed to the influx of women workers into industry during the Second World War. Reekie, ‘Humanising Industry’, p.16.

72 ACSI, Industrial Co-operation in Australia, p.30.

73 ibid, pp.31 & 40.

74 ACSI, Industrial Co-operation in Australia, p.11.


80 NBAC/ANU, Tooth & Co., N20/1170, Correspondence from the General Manager Tooth & Co to Mr A.E.Redhouse, 8/7/31.


82 ‘Revision of Provident Fund Death Benefits’, Bank of NSW Archives, 82-26, 1134.

83 Initially, a widow could only receive a pension for five years, and this period only applied if the officer died whilst still in the Bank’s employ, provided he had completed fifteen years’ service. If he died during the first five years since retirement the widow’s pension ran for only the balance of the five years period. If the officer died after having drawn a pension for five years, the widow was not entitled to any payments from the Fund.

84 ‘Revision of Provident Fund Death Benefits’, Bank of NSW Archives, 82-26, 1134.

85 In 1894, the widow’s benefit was extended to include parents, sisters or brothers of a deceased officer, provided they were dependent on him. Then, in 1923, the Board decided to pay each widow an annual supplementary pension in addition to that which she was entitled to receive from the fund.

86 The new system of widow’s pensions introduced the concept of ‘reversionary pensions’ which were substantially lower than ‘five years’ certain pensions. The inadequacy of the new provision was recognised at the time by the Bank, however, circumstance such as the war and the subsequent inflation necessitated postponement of any revision for many years to come; ‘Revision of Provident Fund Death Benefits’, Bank of NSW Archives, 82-26, 1134.

87 ibid.

88 ACSI, Industrial Co-operation in Australia.

89 ‘Employee Benefit Schemes in Industry’, 8 May 1950, DLNS Minute and attached report, AA, Series SP 146/1, item 575/1.


91 ACSI, Industrial Co-operation in Australia, p.41.

92 Paper presented on Retirement Benefit Schemes by F.J.Young (FIA) to the Actuarial Society of Australia, 1956, p.177, Bank of NSW Archives, 82-26/1089. As explained by Wiltshire from AMP in 1957, under a pension plan which provided for periodic contributions to secure payment of a pension after retirement, the entire pension would be regarded as taxable in the hands of the pensioner. However, if the retirement scheme provided the benefit in the form of a lump sum, only 5 per cent of the sum was taxable. On conversion at age 65 of the lump sum into an annuity, this would be virtually non-taxable as only the interest portion would be included in the recipient’s taxable income, and unless the annuity was of a substantial amount, no tax would
be payable due to the minimum figure on which tax was assessed; Wiltshire, ‘Industrial Superannuation and Insurance’, p.18.


94 ibid, pp.177-178.

95 ibid, p.177.


97 ibid, p.14.

98 ibid, p.14.

99 ibid, p.15.

100 Patmore, A History of Industrial Relations in the NSW Government Railways, pp. 100-102.

101 ibid, 102.

102 Buckley & Klugram, The History of Burns Philp, p.224.

103 The Bank of NSW was the first to combine the two funds.

104 J. Hill, From Subservience to Strike, p.15.

105 Cited in ibid, p.15.

106 ibid, p.15.


111 ACSI, Industrial Co-operation in Australia, p.34.
CHAPTER FIVE

Recreation:
Social and Sporting Activities

This chapter examines company organised and/or sponsored recreation in Australian industry between 1890 and 1965. Such recreation included a wide variety of activities and facilities of a social and sporting nature. The chapter begins with an overview of the extent, incidence and nature of recreational provisions in Australian industry. Perhaps more than any other form of welfare activity, recreation received support in all kinds of industries, in both large and small companies. Even a small undertaking could provide an annual picnic or Christmas party for the employees, although in many large firms, company-based recreation incorporated a broad range of facilities and clubs, and at times included the broader community. The chapter then discusses the importance of recreation as a method of improving the quantity and quality of labour supply.

The role of recreation in the enhancement of managerial prerogative is examined next. Firstly, the public relations function of recreation is highlighted. As with other forms of welfarism, by providing for the recreational needs of its workforce a company could cultivate favourable public opinion and thus undermine union activity.\(^1\) However, while improved public relations could reinforce managerial prerogative, it was also a means of improving sales. The latter, while a business strategy, was not directly related to labour-management. The evidence does not conclusively demonstrate that company-sponsored recreation in Australia was designed to cultivate public opinion for the purpose of reducing strikes. Nevertheless, since it had the potential to do so, the public relations role of recreation is included for analysis.

Secondly, recreation is identified as a strategy to increase worker commitment to the company and to managerial goals. It promoted teamwork and unity, personalised management-employee relations, involved worker families, and encouraged discipline and allegiance if patriotic in nature.

The chapter then examines the characteristics of social and sporting clubs in Australian industry such as the range and frequency of activities, and the rules governing
employee contributions, company subsidies and club administration. Before concluding, the chapter examines labour response to company-sponsored recreation.

**Overview**

It is difficult to establish the beginning of company-based recreation in Australia. The various texts on the history of sport in Australia are particularly silent on the issue. Likewise, labour historians have rarely considered the interconnections between sport and the labour movement. According to Andrew Moore, this can be partly explained by the remnants of the ‘marxist belief that sport deflects the working class from the task of revolution.’ Provision of this nature was thus, from the beginning of the factory system, a significant tool in the hands of management, a method of minimising industrial tension and of securing control.

While the company picnic was a popular activity by the turn of the century, to a lesser extent the more formal and organised recreational activities of companies were also evident. The pharmaceutical manufacturers Parke, Davis & Co., for example, provided a variety of social and sporting activities, as well as a recreational hall at its Sydney factory. In doing so, local management emulated the parent American company’s policy of ‘sympathetic humanitarianism’, demonstrating the importance of foreign manufacturers in importing welfarist practices to Australia. The overseas influence was also evident in the NSW Government Railways which drew on English railway experience to introduce an Institute in the late 1880s. Amongst other things, the Institute was concerned with providing activities such as a dramatic club, flower shows, a musical society, smoke concerts and a cricket club. The range of activities was expanded due to the industrial unrest of World War One, and again during the 1920s. Coverage was also extended to include rural areas. By the late 1920s the Institute had 63 tennis courts in country areas, many of which were built by Institute members’ volunteer labour.

By 1920, Railway Institutes had been established in all of the states, excepting South Australia and Tasmania. The first Postal Institute in Australia was established in Melbourne in 1917, providing ‘healthy recreation’ in the form of a gymnasium, billiard room, and ‘other innocent games’. Committees were formed to organise sport such as
cricket, football, rifle shooting, and to ‘cater for the amusement and entertainment’ of the Institute members. The Wallaroo and Moonta Mining and Smelting Company had also established Institutes and sporting facilities at its three centres of operation in South Australia by 1920. Other private companies providing significant recreational facilities by 1920 include Australian Paper Mills and Farmer & Co., while in the public sector the Tasmanian Government Hydro-Electric Department, the Commonwealth Bank, and the Lithgow Small Arms Factory were all active in encouraging sport and recreation.

Company-sponsored recreation continued to spread through Australian industry during the 1920s and 1930s. While previously supporting informal recreational activities, the extensive program of Tooth and Co. was commenced in 1929 with the establishment of an Athletic Club. By 1935, the list of Tooth’s clubs had expanded to include Bridge, Dramatic, Chess, Golf, Swimming, Cricket, Table Tennis, and Tennis. By 1931, Mauldon found that, of the 76 private establishments with organised welfare schemes, 34 had subsidised clubs and/or institutes and 5 had holiday resorts and schemes. The expansion into the wider community is also evident from Mauldon’s findings - 11 had erected parks, recreation grounds and playgrounds, and 3 had built community centres. Surveys conducted during the 1950s and 1960s found that a significant number of recreational clubs had been formed in Australian industry long before 1939, although their popularity did increase during the War and in the post-War period. Indeed, the DLNS estimated that between 1948 and 1956, 42 per cent of Australian companies provided social and/or recreational facilities.

A survey of 22 clubs in Queensland during 1953 found that five were in existence before 1939, two were established during the war years, and the remaining 15 in the post-war period. Of those started before the war, three were introduced on the initiative of employees, and two on the initiative of management. Of the other 17 clubs, ten were initiated by management. A 1959 survey of 24 Sydney companies with established clubs found similar evidence. Five of the companies surveyed had commenced operations since 1949, the remainder being older establishments that existed before the War. In two of the companies, social clubs had been in continuous existence for more than thirty years. Eight had established clubs before the war, another nine between 1940 and 1949, and the remaining seven since then.
Evidence from Victoria suggests that employers in this state recognised the value of social and recreational clubs prior to their Queensland, and even Sydney, counterparts. A survey was conducted in the early 1960s of 24 Social Clubs in Victorian industry, finding that only two had been established during the 5 years prior to the survey. The origins of the others dated back to soon after the First World War. Eleven clubs were initiated by management and nine by employees, although management did support the latter clubs financially or materially.15

These surveys also demonstrate the wide range of activities provided by the clubs. Common social activities included the Christmas party, theatre nights, the Annual Ball, picnics and dinner dances. The sporting and recreational activities organised or sponsored by the clubs also form a substantial list. Cricket was the most popular activity, followed by golf, football, and table tennis. Company size impacted largely on the range and frequency of events organised by these clubs.

However, social changes in the post-War period gradually reduced the popularity of many traditional social activities. The clubs participating in the 1959 NSW survey noted a distinct trend of falling attendances at dances and smoke socials, once the mainstay of club activities. The major influences in this trend were claimed to be a general decline in interest in conventional ballroom dancing and balls, and the disinclination of members to return, sometimes long distances, to a central location after work.16 The 1953 survey of Queensland industry supports such trends. Almost all of the executives interviewed said that socials, dances, and card parties were not popular and received poor patronage.17

The traditional company picnic was also reported to have lost much of its old-time fervour. As noted, the ‘excitement and gaiety associated with a group travel to picnic sites by special train, ferries or buses is said to be losing appeal in the face of growing preference by families for travel in their own cars and in their own time.’ Club officers involved in the survey generally concluded that declining support for social functions was related to changing tastes and interests in the community, and to the advent of television. Also of note was the progressive introduction of non-British migrants into the workforce who had a tendency to remain aloof from voluntary club membership due to language difficulties and cultural differences. Some clubs did make special efforts to encourage these migrants to participate in social events and met with slow but steady success.18
In contrast to the declining support of social activities, the 1959 survey found an increasing interest in recreational and sporting activities, and a steady increase in the range of such activities requested by their members. However, the 1953 survey found that while sporting activities seemed to be moderately successful, some executives expressed disappointment that club members did not make full use of the sporting facilities provided for them. While workers patronised fully any facility that could be utilised during lunch-breaks, as with social events, there was a reluctance to participate in activities that required workers to return to the factory area after hours or at weekends. Perhaps to rectify this problem, the 1959 survey discovered a trend of programming sporting activities during meal breaks. However, the position in respect to Workers’ Compensation insurance for meal-break accidents was uncertain so, in general, vigorous sporting activities were restricted to after-hours.\(^{19}\) Over the next decade, the expansion in the public provision of sporting and recreational facilities and the increasing mobility of workers through private car ownership continued to weaken the importance of company-based recreation.\(^{20}\)

In summary, company sponsored and/or organised recreation was a relatively widespread and enduring feature of welfarism in Australia. Throughout this period, an increasing number of employers encouraged and supported activities of both a social and sporting nature for their workers, although the range and frequency of activities varied between companies. Though still common in industry, broad social changes in the post-War period reduced the popularity of company-based recreation, thus limiting its role in the management of labour.

**Labour Supply**

In isolated areas, meeting the recreational requirements of workers was crucial in terms of recruiting and retaining labour. As the manager of the Mt. Lyell Mining and Railway Company, situated on the isolated west coast of Tasmania, recognised: ‘Without better sporting facilities, lively entertainment and cheaper cost of living, nomadic miners would remain just long enough to earn their fare back to the mainland.\(^{21}\) The company subsequently subsidised three social clubs each with library, a billiard table and buffet, and holiday cottages at Strahan. It also financed the merging of the local towns of Gormanston...
and Linda brass bands into one large band ‘to liven up the streets on pay night’. Similarly, ER&S provided financial assistance for the creation of a recreation reserve and town band at Port Kembla.

As Eklund has shown, the efforts of BHAS to provide employees with ‘respectable forms of leisure and recreation’ at Port Pirie was a strategy to attract and retain a particular quality and kind of worker. One of the main problems for BHAS management between 1915 and the mid-1920s was securing an adequate supply of skilled and reliable workers. There was also a perception among senior managers, perhaps justifiably, that single men were prone to alcoholism, and were less likely to become permanent members of the workforce. Indeed, many of the single men employed on a daily basis were itinerant workers who had little or no loyalty to the company, and often left town for better-paid work on the Port Pirie wharves or elsewhere. These men also habit the pubs of Port Pirie in their leisure time. In addition, single men were not commonly of British origin, the distinct preference of management. As Eklund argues, BHAS was therefore concerned not only to attract more workers to Port Pirie, but also to encourage a ‘more settled community of married workers’.

The recreational agenda of BHAS was thus largely targeted at making Port Pirie more attractive to married men. The Weeroona Holiday camp was opened on Christmas Day 1918. The well-structured camp was large enough to house 600 people, and was built in three weeks by a large gang of men from the smelters works, assisted by many other BHAS employees who volunteered their labour at weekends. As Eklund notes, the purpose of the holiday camp was two-fold. Firstly, it was an attempt to reduce fluctuations in daily workforce numbers since eligibility was linked to achieving a bonus of two weeks leave for employees who worked the requisite number of days in the year. However, it was also a family-based initiative designed to attract married workers to Port Pirie. The broader strategy included the construction of a children’s playground at Port Pirie. The company provided the money and materials, and BHAS workers volunteered their labour. A quoit pitch and bowling greens were subsequently laid, tennis and croquet lawns were added, and an open-air picture theatre was built, transforming it into a family playground. The playground was sited within the Memorial Park, also the initiative of BHAS. Both projects were designed to encourage married men to settle in Port Pirie thereby providing the company with a reliable and high quality labour force.
For those companies with a dispersed workforce, providing recreational facilities was at times difficult and costly. For example, Australian banks had branches in numerous rural areas requiring only a small number of workers. The industry was able to overcome this problem by joining together in establishing clubs for all bank employees in the various areas to promote the social and sporting welfare of the banking fraternity.\(^{29}\)

Where there was relatively intense competition for labour, as in the cities, company-sponsored recreation was also of value. The provision of recreational activities and facilities, particularly if alternatives were scarce or expensive, could attract prospective recruits to a firm. Further, some companies were convinced that well-organised sporting and social activities reduced labour turnover because ‘leaving the job means an employee has to leave his team mates or club’.\(^{30}\)

Brandes asserts that in the US, recruitment programs were very much like those in universities. As pointed out by the director of the Wagner Electric Manufacturing Company in Saint Louis, ‘if athletic programs could make colleges famous and attract students, they could work similarly for business’. According to Brandes, such recruitment programs were often not so much designed to attract and retain good workers as to get and hold good athletes and musicians. In many US companies, athletes received preference in hiring, greater job security, travel expenses, and time off for games. Likewise, musicians were often given soft jobs and superior amenities. Several companies paid full-time music directors, and such professionalism extended to athletic teams – there was often much discussion amongst opponents about whether players actually worked at a particular job and for how long.\(^{31}\)

This suggests that such programs were designed to advertise a company and its products. In Australia, this most clearly manifested itself in terms of professionalism. For example, the Bank of NSW had a choir instructor, and a professional speaking and debating tutor. Moreover, a 1955 publication by the Bank emphasised that in terms of qualifications, recruits were welcomed who were ‘alert and well spoken, with wide interests, and who, preferably, are reasonably good at some form of sport.’\(^{32}\) Similarly, the swimming club of W.D. and H.O. Wills employed its own professional swimming coach, and the textile and plastic manufactures Cuckson and Son held ballet classes conducted by professional teachers, assisted by Mr Cuckson’s wife.\(^{33}\) While a method of advertising a company’s products, this could also act as a method of attracting labour to the company.
Many employers also encouraged worker participation in recreational activities with the aim of improving the quality of their labour force. This could be achieved in a number of ways. First, without alternative sources of entertainment during leisure hours, workers could pursue unhealthy activities such as alcohol consumption. Indeed, a motive behind the BHAS plan at Port Pirie was the need to provide alternatives to the town’s ‘rough and tumble male social life’. In the year from June 1909 there were 340 convictions for public drunkenness at the Port Pirie local Courts.34

Apart from preventing unhealthy pursuits, recreation activities could proactively increase the health of workers. Indeed, the slogan of the Tooth’s Athletic Club was ‘a healthy mind in a health body’.35 In terms of physical health, participation in sporting activities could increase the general fitness level of the workforce. Mental health could also improve through recreational activity, as emphasised by the Medical Research Council in the report, ‘The Incidence of Neurosis Amongst Factory Workers’. An excerpt from this report stated:

A decrease in social contacts was the circumstance most commonly associated with neurosis. Those whose leisure was usually spent alone or only with their immediate family suffered more than average neurosis whether their contacts were reduced because of solidarity interests, restrictions imposed by home duties, or other reasons. To a lesser degree those with diminished recreation and leisure interests also suffered from a higher incidence of neurosis than the average.36

The preface to this report stated ‘the main findings of the survey afford striking confirmation of the importance of psychological facts in obtaining industrial efficiency. Over 25 per cent of all sickness absence was due to neurosis and 10 per cent of the workers examined had suffered from disabling neurosis during the six months under review’. In 1948, the Personnel Practice Branch (DLNS) considered this compelling evidence of the need for a project on industrial recreation in Australian industry.37

In summary, recreation improved the quantity and quality of a company’s labour supply in a number of ways. Particularly in isolated areas, employers provided recreational facilities in order to attract and retain workers. In metropolitan areas, these facilities could provide companies with an edge over their competitors in the attraction of labour. Further,
sporting and social activities could reduce unhealthy behaviour, and improve physical and mental health, increasing the quality of the existing labour force.

Managerial Prerogative

As a form of advertisement, recreation enhanced management’s ability to attract and retain quality employees, but also assisted in the improvement of public relations. As Brandes notes, public sympathy could determine the result of a strike, or indeed if there was a strike at all. If public opinion was unfavourable, the company may feel compelled to give in to union demands. Public sympathy, however, could enable employers to approach industrial unrest with more confidence.38

Recreation offered a company the opportunity to publicise its benevolent posture toward its employees. Many company teams performed throughout the region, or even nationally and internationally, gaining widespread publicity for the company and its welfare program (as well as its products). At Associated Pulp and Paper Mills Ltd., sporting clubs including football, cricket, tennis, badminton and soccer all ‘adopted the maroon and gold, which have come to be recognized as the mill colours’.39 The 1953 survey found that the promotion of good public relations, particularly by means of sporting activities, was amongst the reasons for management support and encouragement of social clubs.40

However, as a form of publicity, recreation was not limited to sporting events. Companies organised a variety of activities that received public attention. For example, the Bank of NSW had a Horticultural Group, a Dramatic Group, and a Dance Group of ‘ballet girls’, all of which held and competed in outside concerts and shows.41 Companies such as Goodyear Tyre and Rubber Co, Telephone and Electrical Industries (TEI), and the British Motor Company had musical societies which staged reviews in public halls and auditoriums. As a management magazine noted in 1960, ‘Stage shows and sporting victories get Press mention and club members often make TV and radio appearances as well as tours.’42 While the publicity value of such activities was clearly designed to increase interest in a company’s products, it nevertheless could cultivate favourable public opinion, and therefore influence the outcome or likelihood of a strike.
BHAS clearly recognised the value of publicity, hiring a film maker from Melbourne to film the ‘great day when BHAS employees worked on the construction of the park’. 43 According to Eklund, the company profited from the good publicity it received for its overall ventures, and the press coverage both locally and in the metropolitan papers of Adelaide, Melbourne and Sydney was uniformly favourable, thus increasing the company’s reputation on a wide-scale. 44

Some companies enhanced public relations by directly involving the community in their recreational programs. This was most pronounced in isolated areas where company welfare programs often involved making, or remaking, local society. Indeed, the BHAS program of upgrading the town’s facilities and opportunities for ‘respectable’ recreation not only assisted in the attraction and retention of labour, but was also aimed at influencing the allegiances of local community residents. 45 It also formed part of an effort to cultivate good relations with town and State Governments, 46 a further attempt to defend the authority and independence of the company. The Wallaroo and Moonta Mining and Smelting Company also developed recreational facilities for the community during the early decades of the century. At the three centres of its operations in South Australia the company established institutes for employees and others who paid a nominal subscription. It also built recreation halls, football, cricket, croquet, and hockey grounds, bowling greens and tennis courts, and playgrounds for children. At Wallaroo the company built a gymnasium for the local boy scouts and quarters for a girls’ club at the main recreation hall. 47

In suburban areas, companies could also directly influence the public by extending welfare to the wider community. For example, W. E. Cuckson and Son of St. Marys, near Sydney, gave the Education Department the use of the company pool for learn to swim classes and the local schools had free access to it for their swimming carnivals. To the company this meant ‘that the children of our employees and their friends are enjoying the facilities of the pool, as most of our employees live within easy reach of the factory and send their children to the local schools. This brings us into friendly and active relations with the schools of the district, too, with the result that we feel that they are “our” schools, and they feel that we are their friends’. In addition, children’s paintings, the result of the contact with the local schools, decorated the factory walls - the company offered annual prizes for the best work, and the winning art was displayed. 48
However, the 1964 Victorian survey found that in general social clubs did not contribute to recreational and social activities within the local community. From a total of 24, only two contributed, one by allowing local children to use the club tennis courts and the other by granting the local council and Boys’ Home the use of the restaurant for various functions. Many of the clubs had large charity interests, another method of cultivating public support, but contributions were seldom made on a locality basis.\(^{49}\)

While important as a public relations device, recreation was also a means of securing the co-operation and loyalty of workers. The promotion of team sports was designed to reinforce values congruent with capitalism such as competition, discipline, and team-work.\(^{50}\) According to Cashman, central to the concept of athleticism was ‘the belief that sport should serve a moral purpose: to build character and to encourage individuals to consider the interests of the team first’.\(^{51}\) As such, during the second half of the nineteenth century sport became an integral part in the Australian school curriculum because it was believed that it ‘enhanced discipline and fostered a sense of co-operation’.\(^{52}\) This idea was transferred to the work environment. Team sports, it was believed, would foster loyalty to the firm and minimise industrial conflict. As a spokesman for one of Australia’s biggest companies stated, ‘The whole idea is to weld the team together. If employees play together outside working hours there is less chance of industrial discord in the factory.’\(^{53}\) Further, as Joan Sangster notes, sports promoted competition with the outside, but team spirit inside. They were thus ‘supposed to create a loyal, disciplined, and committed workforce that strove to give its best performance on and off the job.’\(^{54}\)

On another level, social and sporting activities could create a sense of pride and unity in the ‘company team’. Superior performances in the sporting and social arenas were a great source of advertisement for the company. However, they could also create a sense of pride in connection even for those not directly involved.\(^{55}\) As W.E. Cuckson, the Managing Director of Cuckson & Son reported, involving the public could also foster a sense of pride in the workers. ‘Concerts, classes in modern expressive ballet, and certain of the social functions are open to the general public. This gives members a chance to share their activities with their friends, and tends to promote a cultural contribution to the life of the district. Thus, the members and employees of the company feel they belong to a community in which they can take a personal pride.’\(^{56}\)
Social outings could also create a sense of unity in the company ‘family’ or ‘team’ - everyone could interact together regardless of class and ethnic loyalties. As the Managing Director of Shell commented in regard to the Shell Club in 1960:

> It fosters the mixing of people from different departments and different backgrounds, and it brings about a greater understanding of the other person. One can never know what goes on in another man’s mind if one only knows him in business hours. Shell clubs, and clubs similar to them, together with other social activities, do more than just ensure that members have a good time. A well organized social club can bring the intangible assets of loyalty, comradeship and a sense of belonging and understanding, which in the long run benefit staff themselves, and the company.

Loyalty, comradeship and a sense of belonging were the ultimate goals of company-based recreation. If workers were convinced that they belonged to a ‘company team’ they would work hard, co-operatively and harmoniously for the overall good of the team. To do anything else would be to let the team down. Further, employers hoped that loyalty to the ‘company team’ would undermine any sense of loyalty to unions amongst the workers.

In the creation of a unitarist culture, in which the enterprise is a single, homogenous entity in which workers accept management’s authority and work co-operatively and harmoniously in order to increase the efficiency of the organisation, mutual respect and understanding between workers was paramount. However, the employer-employee relationship was equally as significant. As reported in 1948 by L. F. Edmonds of the Personnel Practice Branch, DLNS, the US National Industrial Conference Board had approved the practice of including recreation as a specific section of industrial relations. This, according to Edmonds, ‘further fortifies the viewpoint that recreation is a means of integrating the employer-employee relationship. The minimising of personal contacts between the administrative officers and the employee and the tendency to judge the individual employee by statistical standards alone as shown by the use of time and motion study methods, incentive payments, merit rating charts and similar tools of scientific management, leads often to violent disagreement especially when such procedures have been attempted without mutual understanding between the two groups.’

Thus, recreation provided the opportunity for workers and management to interact on a personal level thereby developing in the social setting good relations and a mutual understanding that would transmit to the work setting. This would reduce worker resistance.
to other labour control strategies such as those associated with scientific management. In effect, employers aimed to emulate the close personal ties of the nineteenth-century workplace. The Managing Director of a big Australian company stated that staff activities which gave executives and employees a chance to meet on common ground ‘definitely engender friendly relations which promote industrial peace.’ Indeed, a 1960 report in an Australian management journal noted that most management’s made a point of joining in employee activities. This was particularly pronounced in the case of bowls where executives frequently competed in matches with workers. ‘On the green – in bowls tradition – Managing Director and shop employee become plain “John” and “Bill” to each other.’

However, friendly relations were not easily achievable. Indeed, the 1953 survey found that, while some managements expressed the opinion that social functions provide an opportunity for executives to ‘let their hair down’, and demonstrate that perhaps they ‘have some human qualities after all’, this attitude ‘should not be accepted uncritically’. As concluded from the survey, ‘it is unlikely that any lasting impact would be made unless the sorts of attitudes that exist in the job were in harmony with those demonstrated in the social setting. In fact, a marked unbending at social activity by a usually stern executive may be interpreted as patronage, and do more harm than good.’

Recreation did not always involve direct worker-management contact. Nevertheless, by providing for the recreational needs of workers, employers demonstrated their concern for employee welfare beyond the workplace. This concern was thus for the employee as a person, not just as a worker. As the Managing Director of Shell noted, the company sports and social clubs ‘provide further tangible evidence of management’s interest in its staff members as individuals’. In doing so, employers attempted to renew the reciprocal, diffuse bonds of obligation and loyalty believed to characterise earlier patterns of work organisation. As Fox argues, ‘If the employer manifested a concern for the interests and well-being of the employee – a concern for his physical, social and cultural welfare – would not the employee reciprocate with concern for the interests of the employer?’ Thus, in demonstrating their genuine concern and interest, employers hoped their employees would work co-operatively and harmoniously to increase the efficiency of the organisation, and would not turn to unions or resort to industrial conflict.

Management concern for the welfare of employees was often extended to their families. This reinforced management interest in the employee beyond the workplace, and
thereby enhanced the sentiments of reciprocal obligation and loyalty in workers. On another level, recreation increased worker commitment by developing interest in and identification with the company among employees’ families. Indeed, this was among the reasons why managers involved in the 1953 survey supported and encouraged social clubs.\footnote{65} As noted by the Managing Director of the Cyclone Company: ‘Through the work of the social committees many of the employees’ recreational activities are directly related to the work situation, and employees’ families through visiting the plants and enjoying the social events, have a personal relationship with the company.’\footnote{66} Thus, family involvement in recreation reinforced the loyalty of workers to the company and to its success.

Many recreational schemes encouraged friendly, social contact between the families of workers. Holiday camps provided by metal mining and smelting companies such as BHAS and the Mt. Lyell Mining and Railway Co., and in later years by the Zinc Corporation and New Broken Hill Consolidated,\footnote{67} were designed to give workers and their families an opportunity to mix socially during holiday time in a clean healthy site away from the industrial town.\footnote{68} Company picnics, Annual Balls, Christmas Parties and other various other ‘family-friendly’ schemes had a similar purpose. Cuckson and Son held several annual children’s functions including a fancy dress ball, field sports, a bonfire and barbecue, and a Christmas party. Further, the company noted that the ‘recreational facilities provided by our concern have the family in mind… To the rear of the factory there are tennis courts, a tiled swimming pool…people meet after work and during the week-end together with their families in an atmosphere of informality and friendliness’.\footnote{69}

By providing the venue for the social interaction of its workers and their families, a company became more central to the lives of its employees. The recreational initiatives of BHAS demonstrate this potential in an isolated community, and the example of Cuckson and Son, situated near Sydney, suggests a similar attempt in a suburban area. Indeed, the company deliberately chose St. Marys as the site for its factory because of its distance from densely populated areas and its ‘air of a country town’ in the immediate post-War period.\footnote{70} Thus, when alternatives were limited, recreational facilities not only enhanced worker identity with the company, and promoted sentiments of appreciation and loyalty in the employees, as Margaret McCallum notes, it also reinforced the company’s dominance, making it more difficult for workers to challenge unilateral management decisions.\footnote{71}
In his analysis of US industry, Brandes emphasises the patriotic benefits of recreation in industry. The most prevalent kinds of patriotic recreation were military drill classes, most of them involving younger workers and children, and rifle clubs. Such activities were advantageous in terms of the patriotic public image of the company. However, more important was the effect they had on the employees of the company. Just as identification with a team could promote discipline and loyalty, so too could identification with the nation. Indeed, if a company was helping to train its army in defence of the country, then the company could surely be viewed as a complement to the country’s armed forces and disloyalty to the company may become a disloyalty to the country.72

The links between recreation, patriotism, and company loyalty are evident in a number of Australian firms. Several companies established patriotic funds and the company-based military band was relatively common. Encouraged by management, the employees of the Honesuckle Point Workshops of the NSW Government Railways celebrated Empire day in May 1913.73 Having already established a patriotic fund, in 1915 there was a movement to fly the Union Jack and Commonwealth flags at the various branches and workshops, and the patriotic ceremonies accompanying their erection included music rendered by the Railway Military Band.74

Rifle clubs were popular in Australian industry during the early part of the century. Prior to 1910 both Clyde Industries and Dunlop had introduced rifle clubs. The directors at Dunlop also granted leave on full pay to all militiamen in its employ who wished to attend the ‘Kitchener Camp’ at Seymour in 1909, and in 1912, as a publicity venture, a despatched ride between Adelaide and Sydney was designed to publicise the ‘dashing side’ of warfare as well as their tyres.75

The NSW Railways provides a prominent example of an enterprise using recreation to promote patriotism and loyalty. According to Patmore, ‘rifle companies were a positive though minor element in the development of labour control through cultivating a general respect for authority and fostering loyalty to managerial goals.’76 Management first established a Reserve Railway Rifle Company in 1888. This club was succeeded by various others, culminating together as the nation-wide Railway and Tramway Reserve Rifle Club’s Association in 1914 with the expressed aim of encouraging and consolidating a spirit of active patriotism to the Commonwealth of Australia amongst the Government Railway and Tramway staffs of the six States.77
Apart from the undertaking of military duties, the Association was encouraged from a social point of view. As stated in the *Budget*, the house journal of the NSW Railways; ‘We have annual interstate cricket, football and other sporting fixtures, for which it is claimed that much good is derived by the provision of the social element connected with and following upon such meetings. How much more so when the members of the opposing teams represent the patriotic element of the Railway and Tramway staffs, and fully recognise that the experience and skill required in friendly rivalry have really for its ultimate objective that of the defence of our home land.'

The erection of Memorial Park for employees and the general community by BHAS at Port Pirie was also an effort to promote patriotism and reduce militancy in the workforce. The park was to be a Memorial to the men who had lost their lives during the Great War. The idea for the park was put forward in 1917 while debates regarding conscription raged throughout the country. According to Eklund, this suggests that it was a politically-charged decision to have the focus as a War Memorial. ‘This new public space at Port Pirie was to extol the virtues of sacrifice and allegiance to empire, the very values that company management, and other town-based conservatives such as Mayor Geddes, claimed the radicals in the labour movement lacked.’

Thus, as with the promotion of team spirit, patriotic recreation was designed to imbue the worker with the right attitude, to help build and strengthen ‘character’.

In summary, recreation helped to reinforce managerial prerogative in a number of ways. Recreation was an exercise in good public relations - sporting and social events publicised the generous posture of a company towards its employees, and could also benefit the community directly. The aim was to convince the public of the legitimacy of managerial authority. Further, sporting activities could also promote team spirit, build character, and foster a sense of co-operation. Social activities also had the potential to bind the company team, and give workers a sense of belonging and unity. The company would therefore become a single, homogenous entity in which employees worked co-operatively and harmoniously for the overall good of the team. Further, recreation personalised the employer-employee relationship in two ways. Firstly, workers and their managers could interact directly thereby building mutual trust and understanding. Secondly, recreational provisions demonstrated the company’s concern for employee welfare beyond the workplace, and thereby promoted reciprocal loyalty on the part of the workers. Family
involvement in recreation further reinforced the concern for employee welfare, and made the company more central to the lives of the workers, particularly when alternative sources of entertainment were limited. Finally, the values to be taught by patriotic forms of recreation were those that led to loyalty to the company and respect for managerial authority. Overall, recreation was designed to engender greater employee loyalty to the company and therefore reinforce managerial prerogative.
Characteristics of Schemes

Range and Frequency of Activities

The number and type of social and sporting events organised or sponsored by individual clubs varied widely. Tables 5.1, 5.2, 5.3 and 5.4, indicate the kind of activities offered during the 1950s and 1960s and the number of clubs sponsoring each type.

Table 5.1
Social Activities Organised or Sponsored by Social Clubs (NSW) – 1959

<table>
<thead>
<tr>
<th>Social Activity</th>
<th>No. of Clubs (from a total of 24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christmas party for children of employees</td>
<td>24</td>
</tr>
<tr>
<td>Dance, social evening</td>
<td>13</td>
</tr>
<tr>
<td>Picnic, barbecue</td>
<td>13</td>
</tr>
<tr>
<td>Annual Ball</td>
<td>12</td>
</tr>
<tr>
<td>Theatre parties</td>
<td>10</td>
</tr>
<tr>
<td>Smoke social (men only)</td>
<td>6</td>
</tr>
<tr>
<td>Christmas Party (for adults)</td>
<td>5</td>
</tr>
<tr>
<td>Chess, draughts</td>
<td>3</td>
</tr>
<tr>
<td>Dinner and theatre nights</td>
<td>2</td>
</tr>
<tr>
<td>Library</td>
<td>2</td>
</tr>
<tr>
<td>Indoor sports socials</td>
<td>2</td>
</tr>
<tr>
<td>Camera Club</td>
<td>2</td>
</tr>
<tr>
<td>Philatelic club</td>
<td>1</td>
</tr>
<tr>
<td>Music club</td>
<td>1</td>
</tr>
<tr>
<td>Dramatic society</td>
<td>1</td>
</tr>
<tr>
<td>Card nights</td>
<td>1</td>
</tr>
<tr>
<td>Amateur film displays</td>
<td>1</td>
</tr>
<tr>
<td>Cocktail parties (office staff)</td>
<td>1</td>
</tr>
<tr>
<td>Re-union socials</td>
<td>1</td>
</tr>
</tbody>
</table>

### Table 5.2

**Social Activities Organised or Sponsored by Social Clubs (Victoria) – 1964**

<table>
<thead>
<tr>
<th>Social Activity</th>
<th>No. of Clubs (from a total of 24)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children’s and/or Adults Christmas Party</td>
<td>22</td>
</tr>
<tr>
<td>Theatre Nights</td>
<td>20</td>
</tr>
<tr>
<td>Picnic, barbecue</td>
<td>17</td>
</tr>
<tr>
<td>Annual Ball</td>
<td>16</td>
</tr>
<tr>
<td>Dances and Socials</td>
<td>12</td>
</tr>
<tr>
<td>Dinner Dance, Cabaret</td>
<td>10</td>
</tr>
<tr>
<td>Lunchtime Concerts</td>
<td>6</td>
</tr>
<tr>
<td>Special Visits (eg. National Gallery, Como House, SEC power station, airport)</td>
<td>5</td>
</tr>
<tr>
<td>Special Interest Clubs (camera, debating, music, taxations and investment lectures)</td>
<td>4</td>
</tr>
<tr>
<td>Men’s Smoke Night</td>
<td>4</td>
</tr>
<tr>
<td>Parties for New Staff/Farewell Parties</td>
<td>3</td>
</tr>
<tr>
<td>Snow Trips</td>
<td>3</td>
</tr>
<tr>
<td>Family Nights</td>
<td>2</td>
</tr>
<tr>
<td>Annual Dinner</td>
<td>2</td>
</tr>
<tr>
<td>Annual Card Nights</td>
<td>2</td>
</tr>
<tr>
<td>Staff Luncheon</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sporting &amp; Recreational Activities</th>
<th>Meal Breaks</th>
<th>Outside Working Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cricket</td>
<td>2</td>
<td>16</td>
</tr>
<tr>
<td>Golf</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Golf-putting green</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Table Tennis</td>
<td>9</td>
<td>7</td>
</tr>
<tr>
<td>Tennis</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Darts</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Football (including soccer &amp; rugby)</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>Bowls</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Fishing</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Carpet Bowls</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Athletics</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Swimming</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Squash</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Badminton</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Basketball (men)</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Snooker</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Car rallies</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Billiards</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Softball</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Rounders</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Rifle Shooting</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Baseball</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Judo</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Sailing</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Skiing</td>
<td>-</td>
<td>1</td>
</tr>
</tbody>
</table>

Table 5.4
Sporting and Recreational Activities Organised or Sponsored by Social Clubs
(Victoria) - 1964

<table>
<thead>
<tr>
<th>Type of Activity</th>
<th>No. of Clubs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cricket</td>
<td>15</td>
</tr>
<tr>
<td>Football</td>
<td>14</td>
</tr>
<tr>
<td>Table Tennis</td>
<td>14</td>
</tr>
<tr>
<td>Golf</td>
<td>11</td>
</tr>
<tr>
<td>10-Pin Bowling</td>
<td>7</td>
</tr>
<tr>
<td>Tennis</td>
<td>7</td>
</tr>
<tr>
<td>Fishing</td>
<td>5</td>
</tr>
<tr>
<td>Squash</td>
<td>4</td>
</tr>
<tr>
<td>Basketball</td>
<td>4</td>
</tr>
<tr>
<td>Car Rally</td>
<td>4</td>
</tr>
<tr>
<td>Darts</td>
<td>4</td>
</tr>
<tr>
<td>Skiing Weekend</td>
<td>3</td>
</tr>
<tr>
<td>Swimming Carnival</td>
<td>2</td>
</tr>
<tr>
<td>Chess</td>
<td>2</td>
</tr>
<tr>
<td>Bowls</td>
<td>2</td>
</tr>
<tr>
<td>Carpet Bowls</td>
<td>2</td>
</tr>
<tr>
<td>Billiards and Snooker</td>
<td>1</td>
</tr>
<tr>
<td>Archery</td>
<td>1</td>
</tr>
<tr>
<td>Badminton</td>
<td>1</td>
</tr>
<tr>
<td>Hockey</td>
<td>1</td>
</tr>
<tr>
<td>Quoits</td>
<td>1</td>
</tr>
</tbody>
</table>

The 1959 and 1964 surveys from which the above figures were determined found that the incidence and variety of social and sporting activities sponsored by company clubs varied widely. The 1964 survey found that the number of social events in individual clubs over the previous 12 months ranged from one to 12, with an average of five per club. The frequency with which events were held also varied. For example, the number of theatre nights arranged by clubs ranged from one to 50 per year. Sporting events also ranged in frequency. For example, from a total of 24, three companies in the 1964 survey held golf days annually, three held them monthly, and another five on three or four occasions in the year.81

Business size had an impact on the variety of activities. As found by the 1953 survey, the clubs of the larger companies succeeded in introducing a wider range of activities than those of the smaller companies which usually lacked sufficient numbers to make a wide range of activities worthwhile.82 Moreover, as demonstrated in the following section, workforce composition had great bearing on the type and range of recreational activities provided.

**Composition of Workforce**
The composition of the workforce often determined the type of recreation provided by a company. Differences emerged in terms of age, marital status, class, ethnicity and gender. For example, the 1953 study found that one engineering firm with a completely male staff of mostly married men found it possible to run only two successful functions a year: a smoke night and a Christmas tree. Further, Christmas parties were generally attended by married members and their families while dances, apart from the annual ball and cabarets, were most popular among the younger members than older ones, and were particularly patronised by single members of the social clubs. A company with a largely unskilled workforce found that no function was successful unless a liberal quantity of liquor was provided. In addition, this company emphasised competitive events ‘that appeal to the manual worker’s pride in his physical strength’.83 The 1959 survey found that soccer was often introduced to encourage migrants to participate84, and the 1964 survey concluded that young men tended to participate in club sporting activities more than older men, and women tended to have less interest in sports than men.85
Gender was a significant factor determining the nature of the schemes provided. While recreation for men emphasised team spirit, for females it tended to promote their feminine nature and seldom involved competition. Firms that employed large numbers of female workers usually emphasised those types of recreational pursuits which assured the worker that she need not sacrifice her femininity when she entered the predominantly male world of work. At the Bryant & May match factory management provided a dancing hall, tennis courts and a bowling green for its predominantly female workforce. Similarly, the female workers of the textile firm of Geo.A.Bond & Co. were provided with swimming and tennis clubs, physical culture classes held in a gymnasium, and dancing arranged by a social club.  

Such activities reflected society’s view of masculinity and femininity. Cashman argues that before 1850, sport in Australia ‘was almost entirely associated with male culture and space’.  

While during the second half of the nineteenth century women began to increase their involvement in physical culture, sport remained essentially male-centred, celebrating ‘masculine’ strength, fitness and skill. In contrast, women’s sports emphasised ‘feminine’ codes of conduct, focusing on recreation and relaxation rather than competition and performance. According to Adair and Vamplew, the rise of competitive women’s sport trespassed on what was considered ‘the male sphere’. Men who felt aggrieved or threatened by this change reacted with hostility, ridiculing female athletes as ‘unladylike’ and trivialising their sporting abilities. The media led this assault, ‘lampooning them as straying mothers and wives, reminding them that their “proper” place was in the home, not on the playing field.’  

Parts of the medical profession too encouraged this view, claiming that beyond a very basic level of activity sport not only placed women in ‘physical peril’, but also artificially placed them on a similar plane to men, effectively denuding them of femininity and ’de-sexing’ them.  

An editorial published in the house journal Tooth’s KB Chronicle in 1934 makes strikingly clear the view of women in sport and industry. The editorial discussed the ‘invasion of business and sporting spheres by women’ and, seemingly to reassure the predominantly male workforce and/or convince the wives thereof, suggested that:

woman herself, with her innate wisdom, knows just how far she may attempt to go...the majority of women will never even endeavour to intrude too far into man’s sphere if he resents it either consciously or unconsciously...when
records are compared, it will be realised that the most brilliant of the fairer sex cannot hold their own with the best men and that the average woman cannot hope to be as proficient in sport as the average man – nature is against her. The same thing may be said of business. Collectively, woman is merely on the fringe of the business world, and she has no chance of becoming a dominant force in business life because of her very make-up...As long as woman’s entry into business results in a harmonious relationship between the sexes, and does not interfere with family and home ties, men have gained more than they have lost. Similarly woman have healthy bodies through participation in sport, and are better fitted for the noble task of motherhood...Woman is still the modest, tender creature than man has always liked and will always prefer her to be. Women, knowing this, will never try to compete seriously with man in spheres where he is undeniably supreme. She will always seek grace and symmetry and intellectual freshness before muscular strength and business acumen, and man need have no fear than women will ever aspire to be captains of industry or to take man’s place on the pinnacle of athletic accomplishment.

Thus, as the opportunities for women to be involved in sport increased in the early twentieth century, attitudes lagged, and indeed, at times hardened. This was evident in the views of society in general. The Australian Women’s Weekly, for example, wanted assurance that female rowers, although physically strong, were still feminine and dainty. Indeed, during the 1930s it was decided (by the male administrators) that there was ‘no room’ for ladies in rowing despite their previous participation in the sport. The Surf Life Saving Association of Australia, having allowed female contests in the late 1920s, later banned women from competition and rescue work, asserting that they were to physically frail for such demanding tasks. Consistent with the world of work, this rule was lifted during the Second World War because of the shortage of male volunteers, but was imposed again in the early 1950s, despite the fact that women had shown themselves to be proficient. This rule was not abandoned again until the early 1980s, indicating the perennial nature of male discrimination against women in Australian sport, and again eerily echoing the experience of women in the workforce.

Despite the emphasis on femininity, recreation in predominantly female workplaces nonetheless promoted the economic goals of welfarism. Dorothea Proud discovered in her 1916 study of British and Australian industry that women did not apply themselves fully to their work since they ultimately expected to marry and leave the workforce. Hence, employers needed to convince them that ‘efficiency is essential to their future’. To achieve this, some employers of the 1920s promoted values based on physical and
psychological efficiency, as demonstrated by a pageant written by the Welfare Secretary Eleanor Hinder and performed by the staff at the predominantly female Farmers and Co. in 1925. In order to satisfy an old shopkeeper’s request to enlighten him about the ‘new commerce’, the Spirit of Modern Industry introduced the spirits of Health (swimming and physical culture), Knowledge (vocational training and literature), Play (basketball, dancing, Junior Club), and Citizenship. The focus on ‘female’ forms of recreation indicates the need to balance the accepted role of women and the pursuit of efficiency in industry.

**Eligibility, Contributions and Subsidies**

The various surveys of industry found that, in most cases, every employee was eligible for membership to social and recreational clubs. A minority of clubs were for men or women only, although members of the opposite sex were invited to participate in certain events. One club excluded the three top executives. In some clubs the constitutions provided for the automatic membership of employees. In this case, the clubs were either fully financed by the companies or arrangements were made for employees to subscribe voluntarily to club funds. However, in the majority of companies, club membership was voluntary. A fixed weekly contribution was required and rates varied according to the member’s wages. In the vast majority of clubs, contributions were deducted from the member’s pay, and in some these funds were supplemented by activities such as raffles and sweeps, canteens and drink bars, or alternative sources.

While, in the majority of cases, the main source of revenue was the direct subscription by membership, firms generally offered financial assistance to supplement the funds. This could involve annual grants of a fixed sum, donations towards specific events, pound-for-pound donations, or a fixed amount, per member, offering a guarantee to make up annual losses, or alternative methods. Despite such arrangements being the norm, a number of companies gave no financial assistance to the clubs. However, it is impossible to determine from the survey data whether these companies provided materially by way of facilities and equipment, or did not offer assistance at all. In the latter case, these clubs did not constitute a voluntary provision by the company and would be difficult to define as ‘welfare’.

Apart from monetary help, the majority of companies subsidised clubs by providing equipment and amenities. Recreation and sporting areas were provided and furnished by
some companies. Such provisions generally included equipment for table tennis, cricket, football, baseball, quoits, and darts. Other companies provided clubs with facilities such as bowling greens, tennis courts, amenity blocks, squash courts, cricket grounds and club rooms. Where sporting teams represented a company in competitions the company usually met the cost of uniforms, and transport was often provided for these and other activities. In addition, companies generally collected subscriptions from pay, allowed officers to attend to club business in company time, and in some cases gave permission for meetings to be held in working hours.98

Administration
Some companies, particularly in the inter-war period, outsourced the administration of social and recreational facilities to the YMCA. Amongst the other welfare benefits and services provided by YMCA ‘huts’, musical and debating clubs were formed, indoor and outdoor sports, games and tournaments organised, camps arranged and entertainments given. The employers and employees were expected to co-operate ‘to make the programme of activities as rich and varied as possible’. One of the first ‘huts’ in Australia was established at the works of Messrs. Cuming, Smith, and Co., Manufacturers, in connection with their works at Yarraville, Victoria in 1918. The building was erected by the firm and games, concerts, and other amusements were arranged by the YMCA and the employees. The firm supplied a piano. Other ‘huts’ were established around this time in connection with the Mount Lyell Chemical Works, also at Yaraville, and the Imperial Freezing Works (Angliss and Co.) at Footscray. As of 1920, the YMCA program was being extended ‘in various directions’ although they receive no mention in the surveys of the post-Second World War period.99

However, the majority of social and recreational clubs in Australian industry were company-based and operated under a written constitution. In some cases individual activities were organised into formal clubs such as athletics, dramatic, tennis, with an overall social club acting as a co-ordinating body consisting of representatives of each activity. The Tooth’s Recreation Association provides an example of this approach. However, the 1959 survey found that the majority of clubs operated under the one committee which organised and conducted all social and recreational activities. Sub-committees were then often created to promote and organise specific functions.100 Evidence
from the 1953 survey indicates that in almost all cases the sub-committees were formed
from members interested in the relevant activities and not from the general committee.
Some executives considered it was desirable for the main committee to delegate as many
duties as possible to as many people as possible in order to generate interest in club
activities.\textsuperscript{101} The Managing Director of Shell also noted that ‘Young people not yet carrying
any degree of responsibility in their jobs are able, through club membership, to test their
capacity for and reactions to responsibility’\textsuperscript{102}, suggesting a further benefit for the company
in terms of future job placement decisions.

In the majority of cases, the committee was elected annually by club members.
However, the rules by which committee members were elected or appointed varied. The
1953 survey found that, of the 22 clubs included in the data, three companies either
explicitly or implicitly stipulated that no executive should accept nomination. On the other
hand, four companies insisted that a senior executive should occupy the position of
president or secretary of the club. The remaining clubs had no barrier in terms of status.\textsuperscript{103}
Findings from the 1959 survey indicate that six of the 24 clubs provided in their
constitution for management to be represented directly on the club committee. The
management representative was usually the personnel officer and in some cases the works
manager. The majority of other clubs had members of management elected to the
committee ‘in their personal capacities’. In the few cases of no management representation,
the personnel officer had the right to veto club decisions.\textsuperscript{104}

This survey also found that in 15 of the clubs, the secretary was elected by all
members, in another one he/she was appointed by the club committee, and in the remaining
eight clubs, the secretary was nominated by management. In general, the management-
appointed secretary was a member of the personnel department. In only one case did the
company make it a rule not to appoint a secretary from the personnel department in order to
avoid identification of the club with the department.\textsuperscript{105} Thus, while direct management
interest or control varied, in all cases management maintained authority over the decisions
and activities of the club. Employee participation in club committees ultimately gave
workers a sense of control over their working lives without significantly altering
managerial prerogative.
Labour Response

Evidence suggests that, particularly in the pre-War years, many employees were enthusiastic about the social and sporting activities organised by the company. Volunteer labour constructed much of the holiday camp and park at Port Pirie, and built the tennis courts for the NSW Railways. In later years, many management and club officials reported that organised social, recreational and sporting activities continued to be of value to both the company and the employees. The general feeling was that these activities made a positive contribution to morale and friendly working relationships, and, consequently, to improved industrial relations.\textsuperscript{106} The 1964 survey found that ‘people from different departments and shifts were enabled to become better acquainted; there was better understanding between management and employees through breaking down of social barriers; company spirit was fostered; and migrants were more quickly assimilated.’\textsuperscript{107}

However, there is evidence of opposition by unions. While originally offering lukewarm support for the Railway Institute, the May 1929 Annual General Meeting of the NSW Branch of the Australian Railways Union (ARU) proposed to reduce the Institute’s influence by competing with it.\textsuperscript{108} Indeed, by the early 1930s the ARU had organised successful football and cricket teams. According to Hearn, initially competitions organised by the Railway Institute dominated. However, the State Secretary of the ARU, Arthur Chapman, was concerned with management influence in sport and cultural areas, stating that management used the institute ‘to maintain allegiance’ in railway towns. He further asserted; ‘The very life of the worker is bound up with the administration. He becomes thoroughly “departmentalised”…the union must assume the lead in these matters, and form its own sports organisation, bands, orchestras and holiday camps, even its motor clubs.’\textsuperscript{109}

In 1932 the ARU Football Club was launched, followed by an ARU Cricket Association in 1933. According to Hearn, both activities proved popular. In addition, the ARU sponsored its own 28-piece band in 1934, although this relationship had severed by 1939. The union also sponsored drama groups. One of the plays organised was a dramatisation of John Reed’s celebration of the Bolshevik uprising, ‘Ten Days that Shook the World’, demonstrating the importance of drama in stirring allegiance to a common cause. The ARU program also included the families of members. Indeed, the ARU Women’s Auxiliary, designed to encourage the participation of ‘the women-folk’ of
members, was established in 1934. While waning in the late 1940s, as noted by Hearn, ‘the Women’s Auxiliary demonstrated the potential of involving families in workplace issues, and encouraging a sense of community’. Also involving families, the ARU established the first trade union holiday camp in August 1948. Situated at Sussex Inlet on the NSW South Coast, this camp was designed to provide cheap holidays for the Union’s members. On site, seven five-person cabins and a store were erected and, by September 1949, a children’s playground and two tennis courts had been built by the voluntary labour of union members.

While the ARU efforts were a response to management initiatives, it remains that a number of the recreational activities organised by companies intruded into traditional forms of working class culture. Brass bands were often important cultural expressions of working class identity, and union picnics were a traditional labour movement ritual. According to Eklund, this created competition for workers loyalties at Port Pirie between BHAS and the Waterside Workers’ Federation (WWF). The BHAS company picnic was scheduled for early October, a time when workers in Australia celebrated Labour Day. However, the local labour movement had its own picnic rituals, often associated with Labour Day, and these rituals did not simply disappear with the commencement of company picnics. The Port Pirie waterside workers had traditionally held their union picnic at Crystal Brook showground, about 20 kilometres from Port Pirie, the same venue chosen for the company picnic. During the 1920s the WWF donated some 75 pounds annually to the union picnic, arguably to undermine the company-sponsored version. As Eklund notes; ‘The two types of picnics are indicative of a clash over the control and organisation of public forms of recreation, and highlight the way in which the industrial struggle between labour and capital at the point of production spilled over onto a broader cultural/political canvas of local forms of recreation and ritual.

While the broader recreational program of BHAS did not attract significant opposition from organised labour, this should not be accepted as evidence of total support for the company’s programs. According to Eklund, while workers showed enthusiasm in helping to construct Memorial Park and the Children’s Playground, they were less interested in using its facilities. In 1922 the Major of Port Pirie noted that ‘young children continue to make good use of the Children’s Playground, but there is very little evidence of any appreciation by the parents of the facilities provided, at great cost to their Council, for
the welfare of their little ones.’ As Eklund argues, this is ‘evidence of cultural resistance to company-sponsored recreation and leisure’.

In many cases, company attempts to unite the workforce through recreation were met with resistance. Indeed, a number of clubs involved in the 1953 survey of Queensland industry found difficulty in uniting the factory workers and office staff in the same social setting, and also expressed a doubt whether the recreational clubs brought sections and departments closer together. There was a tendency for the same work groupings to gather in the social setting and many workers were reluctant to mix with those that they did not know well. Non-British migrants also had a tendency to remain aloof from voluntary club membership due to language difficulties and cultural differences.

On the flip side, as Brandes notes in relation to the US welfare movement, if employees could learn to co-operate in sporting and social activities, they could also co-operate in forming a union. Indeed, habit of association was the primary reason for the formation of unions. In the Australian context, in which a strong feeling of ‘mateship’ and working class identity already existed, sporting and social activities could compound the tendency of workers to identify with each other rather than with the company.

Social club membership provides an indication of labour support for company-sponsored recreation. The 1959 survey of clubs found that the average membership was 75 per cent of employees. However, this figure is inflated since, in all five of the clubs claiming 100 per cent membership, all employees were automatically enrolled as members. Excluding this group, the average of paying members was 69 per cent. Thirteen of the 24 social clubs included in the 1964 survey had as members 90 and 100 percent of eligible employees, but this included two that automatically enrolled employees. Two clubs had between 80 and 89 per cent membership, five had between 70 to 79 per cent and four had between 20 and 69 per cent.

This, however, should not be construed as evidence of support for and participation in the events organised by the clubs. Indeed, as noted in the overview of this chapter, by the 1950s many of the traditional social and sporting activities were losing their appeal. In addition, apart from special functions such as carnivals, annual sports days, and social evenings, sporting activities drew few spectators, demonstrating a general lack of interest by workers. Consequently, many clubs confined their efforts to three or four main functions in the year, and to activities that could be conducted during lunch-breaks. In
urban areas alternative sources of entertainment were increasingly common. Indeed, some executives interviewed in 1953 doubted any need to provide social entertainment at all, their opinion being that people preferred to seek social enjoyment and satisfaction in the community in which they lived.\textsuperscript{120} This trend intensified during the 1960s due to an expansion in the public provision of sporting and recreational facilities. Increasing levels of private car ownership also broadened the leisure options of workers.\textsuperscript{121} In addition, given the increasing diversity of the workforce in terms of age, gender and ethnicity, only a very large organisation could be expected to cater for the wide variety of interests to be found.

**Conclusion**

Company-sponsored recreation enhanced management’s ability to attract and retain quality employees, while at the same time reinforcing managerial prerogative by inspiring the virtues of co-operation and loyalty. Despite some opposition from unions, in general workers appreciated the company provision of recreation, particularly if alternatives were few. However, social changes in the post-War period improved the recreational options of workers, and reduced their dependence on the company. As with any form of welfarism, the success of the strategy relied on worker support. Faced with a choice, many workers preferred to claim their independence rather than depend on the welfare of the company.

\begin{footnotesize}
\begin{enumerate}
\item Brandes, *American Welfare Capitalism*, pp.31-32.
\item A.Moore, ‘Opera of the Proletariat: Rugby League, the Labour Movement and Working-Class Culture in New South Wales and Queensland’, *Labour History*, No.79, November 2000, p.58.
\item Wright, *Management of Labour*, p.23.
\item *The Staff*, 22 March 1928, 22 March 1929; Patmore, *A History of Industrial Relations in the NSW Government Railways*, p.396.
\item ACSI, *Industrial Co-operation in Australia*, p.56.
\item ibid, pp.54-56.
\item ibid, p.20.
\item ibid, pp.28-29, 50-51.
\item *Tooths KB Chronicle*, 1 December 1935, pp.2-9.
\item Mauldon, ‘Co-operation and Welfare in Industry’, p.186.
\item Wright, *Management of Labour*, p.64.
\end{enumerate}
\end{footnotesize}
Eleven of the companies employed more than 400 workers, six employed between 200 and 400, two employed between 150 and 200, and three between 100 and 150. Eleven were concerned with metal manufacturing, five were in the chemical and oil industry, two in public utilities, and the remainder in the food, lime and cement, boot and distribution industries.

Eleven of the companies were concerned with industrial chemicals, pharmaceuticals, oil and rubber, eight with various forms of electrical and mechanical engineering and metal manufacturers, and the other five, foodstuffs, distribution and paper. The average employment was 590, the smallest firm having 100 and the largest, 2245. Eight employed more than 750 employees, four between 500 and 750, seven between 250 and 500, and five had 250 or less.

Eleven firms employed up to 500 people, four from 501-1000, five from 1001-1500, and four over 1500. Six were in the chemical and oil industry, 4 in food and drink, 2 in electrical machinery and equipment, 2 in vehicles, 2 in finance and property, 2 in meat slaughtering, processing and preserving, 1 in textiles, 1 in skins and leather, 1 in earthenware, 1 in footwear, 1 in retail and 1 in rubber.

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While prior to the 1930s the mining companies at Broken Hill were critical of the welfare schemes at other mining sites, the directors of Zinc Corporation and New Broken Hill Consolidated, a company created by Zinc Corporation in 1936 to explore the southern ground of the field, introduced a number of welfare schemes in the post-War period. W.S. Robinson, Managing Director of the Zinc Corporation, also instigated the BHAS welfare scheme at Port Pirie. A holiday camp was set up on the shores of Largs Bay North near Adelaide in 1947, and was first occupied during the 1947-48 Christmas-New Year period. The area of nearly 29 acres was well grassed and planted with trees and provided with concrete floors for 273 tents, all equipped with beds and tables, and four huts. Service buildings included eight ablation blocks, eight lavatory blocks, three laundry blocks, two store buildings, a recreation hut, a casualty room, a caretakers house, and a mess room and kitchen. The Zinc Corporation-New Broken Hill Consolidated Ltd. Employees’ Picnic Committee, consisting almost entirely of daily-paid employees, organised a full camp each year over the Christmas-New Year mine close down period. The companies financed the establishment of the camp and its continued maintenance, and subsidised the travel, meal and tentage costs of workers and their families. I.M. Hardy, ‘Subsidized Holidays at the Zinc Corporation Ltd. and New Broken Hill Consolidated Ltd.’, *PPB*, Vol. XV, No.2, June 1959, pp. 30-38.


Brandes, *American Welfare Capitalism*, p.82.


Wall, ‘Social and Recreational Clubs in Queensland Industry’, p.44.

State Library of New South Wales, Mitchell Library, Eleanor Hinder Papers, ML MSS 770/2/1, 1925.


ibid.

ibid.

ACSI, Industrial Co-operation in Australia, pp.48-49.


Luxt, ‘Social and Recreational Activities in the Shell Group of Companies in Australia’, p.56.


ibid, pp.7-8.

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Bannerman, ‘Social Clubs in 24 Victorian Undertakings’, p.44.

Patmore, A History of Industrial Relations in the N.S.W Government Railways’, p.397.


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ARU Holiday Camp, Report from J.J. McCreadie, Acting Regional Director, IWD, Sydney to Assistant Secretary (General), IWD, Melbourne, 26/9/49, AA, Series SP 146/1, item 575/3/29.


ibid, p.13.

ibid, p.13.


Brandes, American Welfare Capitalism, p.81.


Wright, Management of Labour, p.63; Imer, ‘Social and Recreational Activities in N.S.W.’, pp.11-12.
CHAPTER SIX

Education:

Education Classes, Libraries and House Journals

This chapter examines the provision of education for workers and their families. Education took several forms. Employers would at times sponsor any or all levels of education for the workers’ children and/or provide non-manual education and training for the employees themselves. While manual training is not viewed as welfarism, it is a point of contention as to whether technical training is included in the definition. Hay, for example, excludes training and education from his definition of welfarism because ‘these are economic investment decisions by the company rather than welfare benefits which have productivity implications.’\(^1\) Pauline Griffin, the Company’s Group Personnel Officer of Bradford Cotton similarly argued, ‘Although some employees may regard the Company’s assistance with training as an aspect of welfare, I doubt if any member of management would agree. Training is vital to the industry and the Company, and if the welfare of the Company and the individual coincide in this area, as in any other, then it is all to the good’\(^2\).

At Bradford Cotton company assistance included paying the fees of employees successfully completing courses at universities and technical colleges, providing scholarships, and offering prizes for successful students. In addition, Bradford Cotton provided skilled staff from within the Company to assist teaching at technical colleges.\(^3\) This kind of assistance was similar to that provided by other companies as part of their overall welfare scheme.\(^4\) For the purposes of this thesis, technical education is included for analysis if it met two requirements – firstly that it was not limited solely to the worker’s immediate job, and secondly that it was ‘sold’ to the employees as part of the company’s welfare package.

The popularity of company libraries and house journals (variations on the title include house organs and staff magazines) in Australia is further indication of the value of education as a welfare strategy. As with educational classes, libraries could be of a technical or non-technical nature. Technical libraries are included for analysis if they met the above two requirements. While house journals were generally designed to create an
esprit de corps, they were also a method of informing and instructing workers on both company and non-company related issues and thus served as an education tool.

The chapter begins with an overview of company-sponsored education in Australia, followed by a discussion on the ways in which educational services could improve the quantity and quality of a company’s labour supply. The chapter then examines employer attempts to reinforce managerial prerogative through the provision of educational services. Included for discussion are the uplifting and liberating influence of education and reading, and the role of house journals in creating a unitarist workplace culture. These journals were also a method of improving public relations, and therefore defending the business from outside criticism and intervention.

The characteristics of the schemes are then discussed. Of note are the gender differences in education, the holdings of company libraries, and the content of house journals. The chapter subsequently examines the response of labour to the educational initiatives of companies before concluding.

Overview

Research in the US shows that company education in that country began at a very young age with the establishment of company nursing schools and kindergartens. For older children, the typical practice was to construct a school building or partially to subsidise a teacher’s salary, although local governments were often unenthusiastic about supporting a teacher and building a school in a company town. In some cases, companies built a school, hired and paid a teacher and supervised the education of the children entirely.5

Research has not uncovered a large incidence of company owned or sponsored schools in Australia. From the first days of settlement, the state sustained and guided the various educational institutions. During the mid-1880s, the focus was extended to rural and thinly populated districts where teachers and state funding were provided once the number of students was sufficient. In NSW, for example, the Public Schools Act of 1867 provided that once there were 20 pupils within reasonable distance of each other, and where two schools of 10 each could be assembled, they could be taught a half-day at a time by an itinerant teacher. Provisions were steadily improved and extended for rural areas over the
following years. The Churches also played a considerable role in providing education, as did, to a lesser degree, the middle class families that hired tutors or governesses for their children.⁶

While there are instances of large companies building schools in isolated areas, in general, once the number of students was sufficient, the state would provide the teaching staff. In the case of the Metropolitan Water Sewerage and Drainage Board, as most of its major construction works were located remote from settled areas, the Board adopted the principle of providing at each work a self-contained Township with as many as possible of comforts and amenities to be expected in a small country town. Included in this plan was the education of children, although the school buildings and teachers were provided by the Education Department immediately the number of children justified the action. While the Board provided playing areas and assisted the Education Department in ‘every way possible’, education was still in the hands of the state.⁷

The best data on company-sponsored children’s education was retrieved from a 1970 ISB survey of geographically isolated work sites, and although this information was gathered at a later date than covered by this thesis, the findings still hold some significance. The survey included 42 sites, 27 from the construction industry and 15 from mining. The majority of workers were however employed at the mining sites. Whilst 23 of the 27 construction operations had commenced during or since 1968, approximately half of the mining operations were well established, three having commenced operations prior to 1930. Due to the longer-term nature of their operations, mining sites generally had better educational facilities. However, the survey reported that in all cases, primary schooling was available either at the sites or within daily bus distance. A seven-company mining site had facilities for primary schooling and for the first two years of secondary education. Employees with children requiring schooling beyond that level were eligible for a grant towards boarding school costs.⁸

The latter practice was relatively popular in isolated areas during the period of welfarism in Australia. The Bank of NSW introduced an Educational Assistance Scheme in January 1950 for officers in towns where full secondary school facilities up to matriculation standard were not available locally, and were thus compelled to board their children away from home for the purpose of a higher education. By April 1951, assistance was being paid in respect of over 100 children, at a cost of 8000 pounds per annum.⁹ Associated Pulp and
Paper Mills offered four senior and four junior scholarships each year, tenable at any secondary school in Tasmania subject to satisfactory school reports. Should a scholar need to travel or board to attend secondary schools, the company added allowances equal to each scholarship to assist with the expense.\textsuperscript{10}

While educational facilities and assistance for schooling was generally limited to companies in isolated settings, there is evidence of a company focus on children’s education in metropolitan areas. The NSW Railway and Tramway Institute, for example, offered employees’ sons and daughters (not less than 14 years of age) the opportunity to attend classes offered by this institution, other than those in purely departmental subjects, on payment of subscription fees.\textsuperscript{11} This Institute, officially opened on 14 May 1891, focused on libraries and technical, and non-technical classes, as well as the social and recreational activities of railway workers, and provides a prominent example of an enterprise’s emphasis on adult education in Australia.

The list of classes conducted by the Institute was broad. During the 1898 session, classes were held in Advanced Shorthand, Elementary Shorthand, Goods & Coaching Accounts, Typewriting, Telegraphy, Mechanical Drawing, Safe Railway Working, and Mathematics.\textsuperscript{12} By 1914, this list had extended to also include Applied Mechanics, Arithmetic, Boiler Construction, Car Construction, Bookkeeping, Electrical Car Driving, Electricity (Elementary), Electricity (Advanced), English, Spelling & Composition, Locomotive Engine Driving, Plate Laying, Sign Writing, Car Decoration, Steam, and Westinghouse Brake.\textsuperscript{13} Prizes and certificates were awarded to successful students. At the 22\textsuperscript{nd} Annual Meeting of the Institute in January 1913 it was announced that there were upwards of 60 classes with nearly as many teachers, and by the support of the chief Commissioner, the teachers were paid for their services.\textsuperscript{14} Non-technical education was also provided by the Railway Institute. For example, lectures were provided on a variety of topics such as ‘Matching and Mating’, ‘My Trip through Europe’, ‘Diamond Jubilee Celebrations’, ‘The Rocks around Us’.\textsuperscript{15}

By 1920 each of the states, with the exception of South Australia and Tasmania, had a Railway Institute offering educational facilities. While not as well established, these Institutes provided a library and educational classes along the same lines as in NSW. The Commonwealth Government Postal Service also established an Institute in 1917. Similar to the Railways, this Institute provided reading rooms, a library, a lecture hall, and class
rooms for technical and practical training. Again, as with the railways, the Institute offered 
education by correspondence.\textsuperscript{16} As stated in 1920; ‘When these institutes are available 
[Sydney, Brisbane, Adelaide and Perth] and in working order, the postal service of 
Australia will possess facilities for improving the minds and bodies of its staff second to none in the world.’\textsuperscript{17}

Libraries formed an important component of these Institutes, and of other 
company’s education programs. Mauldon, in his 1931 survey of Australian industry, found 
that 12 of the 76 private enterprises with organised welfare schemes had educational 
facilities and libraries. The 1959 survey of NSW industry discovered only 2 companies 
with libraries from a total of 26.\textsuperscript{18} Further research however suggests that libraries, both 
technical and non-technical, were more prominent than these surveys indicate. By 1920 
several companies had libraries of varying size. The Wallaroo and Moonta Mining and 
Smelting Company established institutes at the three centres of the company’s operations, 
subsidised jointly by the company and the Government of South Australia, providing 
amongst other services a circulating library. Farmer & Co. also had a small library and 
funds available for current magazines, and the Commonwealth Bank had a library 
comprising educational works in addition to magazines and fiction books. This was 
available to the staff at a nominal charge, while separate lounges for men and women and 
reading rooms were provided. The postal Institute had a technical library as well as a 
lending library of 4500 volumes by 1917, periodicals and magazines.\textsuperscript{19} In the post-War 
period libraries continued to be well-stocked in some companies. Anthony Horden and 
Sons for example had a library of some 10,000 volumes by 1959. This was available to all 
employees with a librarian in attendance five days per week between 11am and 4pm.\textsuperscript{20}

These examples, however, paled in comparison to the library of the NSW Railway 
Institute. The Library opened in 1891 with a stock of around 7,000 volumes but by 
December 1921 the total number of books had reached around 100,000.\textsuperscript{21} These books 
were selected with ‘due regard’ to the tastes of the members who were encouraged to make 
suggestions on purchases, but special consideration was also given to ‘the mechanical arts 
and sciences as applied to railways and tramways and their working.’ In respect to the 
latter, the library was claimed to be the best equipped in the Commonwealth. The reading 
rooms also contained a large number of the magazines and reviews of the world including 
most of the papers of the Empire and America.\textsuperscript{22} For those members of the Institute situated
in country areas where a branch did not exist, books were sent free of charge from the library. In addition, special student libraries were formed where books referring to particular subjects were reserved for the use of those studying such subjects.\textsuperscript{23} Thus, by 1920 the NSW Railway Institute Library was an expansive effort to educate all railway workers.

Such examples were in contrast to companies such as ER&S at Port Kembla, which at this stage provided a technical library for staff officers only.\textsuperscript{24} In some companies, lending libraries for all employees developed from such limited initiatives as the value of general education was recognised. For example, in 1923, a proposal was put forward to the management of Tooth \& Co. for a library for the Office Staff. The proposed library would contain both fictional and technical books of instructive interest to both the office staff.\textsuperscript{25} By 1929, the proposal was for a technical library to be used by the clerical and works staff, not including fictional books.\textsuperscript{26} The reason offered for the introduction of the library was to assist the many young men on staff who were studying commerce and economics. The library finally came into being in 1932. Over the next three years, it was decided to increase the scope of books so those who were not pursuing studies could also be accommodated. The library committee began to purchase fiction books of modern authors to supplement the classics already in the library.\textsuperscript{27}

Technical libraries were a relatively popular form of welfare in Australian industry, particularly in the post-War period when the focus on training became paramount. Volkswagen, for example, had a technical library under the control of an experienced librarian. This library contained several hundred books covering every aspect of technical information required for Company operations, as well as the operations of its suppliers and sub-assembly units. In addition, magazines were obtained from all over the world and circulated through various departments to which they would be of value.\textsuperscript{28} Bradford Cotton set up a technical library in the mid-1940s. Although the main purpose of the library was to supply management’s information needs, it also operated for students at all levels within the Company with books bought for students doing approved courses.\textsuperscript{29}

House journals also became a popular method of educating the workforce during the Second World War and the post-War period. Some journals appeared early in the century such David Jones’ \textit{Between Ourselves} which ran between 1919 and 1921. Earlier still, the Railway Institute launched the \textit{New South Wales Railway Budget} in September 1892, the
first in a continuous series of staff magazines until 1930 when the constraints of the
depression forced its discontinuance. Nevertheless, in his 1931 survey Mauldon found only
4 of the 76 welfarist firms with house magazines.\textsuperscript{30}

During the war years there was a move by the DLNS to establish factory
newspapers or magazines in factories where no such publications existed and to improve
the standard of the established magazines.\textsuperscript{31} At a conference called to discuss these
possibilities in 1943, it was decided that the publication of factory newspapers or
magazines was desirable for factory morale and unity and should be encouraged or initiated
by welfare officers. A ban on paper supplies was mentioned as a stumbling block, but it
was decided that steps be taken to lift this ban to facilitate the publication of house journals.
This was achieved, a permit then being required for the release of the necessary amount of
paper.\textsuperscript{32}

The need to improve morale and limit the threat of labour disruptions during the
post-War period caused an increase in the publication of these journals, as evidenced by
surveys conducted by the DLNS. A 1948 survey examined 83 house journals across NSW,
Victoria and South Australia, while a 1954 survey received information from 53
establishments in Melbourne alone.\textsuperscript{33} The latter survey was based on answers to
questionnaires sent to all establishments in Melbourne known to publish or to have
published, house journals. Of the 53 completed, the most heavily represented were
chemical and oils (8), paper products (5), and metal manufacture, vehicle construction, and
retail (4 each). This suggests the need for new approaches to assist in the management of
growing workforces in these industries during the post-War period. However, all told 21
different industries were represented thus suggesting the value of house journals to a wide
range of employers. Indeed, in 1956, the ISD reported on the large and increasing number
of organisations finding house journals ‘to be a worthwhile investment’ due to their
‘effectiveness for passing on vital information to employees’, and the contribution that a
journal could make to ‘team spirit’.\textsuperscript{34}

By 1963, the trend, particularly among larger companies, was one of making public
relations departments responsible for the production of house journals. This was
accompanied by the reduction in the number of welfare or personnel departments having
editorial responsibility for the magazine.\textsuperscript{35} Such arrangements were in line with the wider
trend amongst companies of shifting the responsibility for schemes from welfare committees or departments to other departments or outside organisations.

In summary, the educational services of Australian companies assumed many forms and varied in incidence and extent over time. While children and adult education was limited mainly to isolated areas, libraries and house journals were a relatively common form of welfare among companies in the period prior to the Second World War. The popularity of house journals increased significantly in the post-War period as companies sought methods to communicate with their growing workforces, and to build morale and unity in the face of labour shortages and militancy.

**Labour Supply**

Educational services were designed to improve the quantity and quality of a company’s labour supply. As noted in the overview, company-sponsored children’s education was mainly limited to isolated areas in Australia, demonstrating the need to attract and retain workers with families. While in some cases this assistance was provided to all workers, at other times it was limited to key members of staff. As the 1970 survey found, five mining companies provided assistance for the children of any employee for whom boarding school was necessary. A further three companies offered financial assistance to salaried personnel only, and two companies which considered that subsidies may be necessary in the future predicted that they would be likely to grant them to salaried staff and possibly to a few key wages personnel.³⁶

However, it was not only due to short-term labour supply that companies sponsored children’s education. Education also indicated the long-term strategies of welfarist firms. In the US context, Brandes notes that company-sponsored education in southern textile mills could produce the skilled labour necessary to compete with the North.³⁷ Indeed, by maintaining a controlling interest in school curriculum, employers could equip children with the skills necessary for future employment in the company.

Eklund has shown through his research on ER&S that company-sponsored education primarily reflected the self-interest of the company. In the period prior to the First World War the Port Kembla Progress Association was formed with ER&S support.
The first issue on the agenda was the provision of classes in engineering, assaying, and surveying at the local Primary School, indicative of the company’s interest in providing the local population with the skills necessary for an industrial workforce. Later, in October 1917 the company agreed to provide an instructor in woodwork one afternoon a week free to the sixth grade boys at Port Kembla Primary School, and in April 1918 the company offered technical lectures to sixth grade boys and a tour of each stage of the smelting works. In November 1918, after complaining of the lack of efficiency of its typists, the company donated six typewriters to the school and provided a trained typist to instruct the children. In each instance, the company was attempting to shape the skills of locally-available workers.\textsuperscript{38}

Similarly, by offering employees’ sons and daughters 14 years and older the opportunity to attend classes offered by the Institute, the NSW Government Railways was educating a future source of labour, particularly in country areas. The Institute also provided an immediate supply of workers in times of labour shortage. Indeed, faced with this situation during World War One, the NSW Government Railways expanded the Institute’s activities to country railway workers.\textsuperscript{39} This expansion was to reduce labour shortages by educating workers for promotion within the enterprise. On the occasion of the opening of a new wing to the Institute building, the NSW Premier G. H. Reid declared that, ‘we have men who have grown up with sufficient intelligence, having the opportunity of guidance from such hands, that we are placed in the position that we have no need to go elsewhere for a man for any position in the service.’\textsuperscript{40}

The Bank of NSW used lunch-time films as a method of educating its workforce both technically and socially. However, these were also directed to outside organisations such as Parents and Citizens Associations, Boy Scout groups, Church organisations, hospitals, and sporting clubs. In Sydney, such showings averaged two nights a week in 1955. During the course of the evening, a talk would be given on a banking subject with particular reference to the Bank of NSW. In addition, the Bank made a few documentaries that were ‘used both for staff instruction and for entertainment and educational purposes at outside screenings.’\textsuperscript{41} Thus, through films the bank was able to educate not only its staff, but also the wider public. This in turn became a good exercise in public relations, and could attract a larger pool of labour from which to recruit. House journals, if distributed to outside
organisations, could play a similar role. The pool of labour desiring employment in a company could be increased by the advertisement of its welfare program.

Many employers also believed that education of a technical nature would improve the quality of the existing workers. According to Patmore, the Railway Institute ‘embodied management’s concern that an educated labour force was necessary to run an increasingly complex industry’. However, company-sponsored non-technical education was also designed to increase the quality of workers by providing them with a broader knowledge base from which to develop personally and productively. Volkswagen Australasia in Victoria, for example, had a plan that ‘provides facilities and encouragement for employees at all levels to undertake study with the object of improving not only their trade or professional competence, but also their personal abilities and general educational level.’ The purpose of this company’s education plan was to ‘provide education in its widest sense not only to management and supervisory personnel or to cadets and trainees, but also to people at operator level’. The plan was administered by a Staff Development Controller who was responsible for overseeing all aspects and for ‘counselling’ employees on their various courses. Employees were eligible for reimbursement of fees such as enrolment, examination and graduation, provided the courses undertaken were judged to be beneficial both to the employee and to the Company, and provided that the employee successfully completed the courses. According to the Personnel Manager of the Company: ‘The Educational Training Plan is a tangible expression of Volkswagen’s belief in the necessity for a highly trained and educated work force. It also reflects our belief that the offering of facilities for education and training contributes substantially to stabilising our work force by giving those who wish to improve themselves every chance to do so.’

Thus, company-sponsored education could create a better quality labour force. In praising the Institute, the Right Hon. Reid in 1899 stated: ‘I think that great as is the natural tendency of people in this colony to enjoy themselves we should always endeavour to find some time for the development of our heaven-born faculties, and I hope that the young men will endeavour to devote their leisure time to cultivate their faculties so as to become not only fit to take their places in the highest branches of their profession, but also to develop them in such a way as to be able to rise to the top of the tree.’ Likewise, at the annual meeting of the Railway Institute in January 1899, Commissioner Fehon remarked that he ‘was particularly pleased to find the younger members of the service coming forward year
after year to take prizes for work performed. This was the more gratifying because the youths of the Australian colonies were inclined to run wild instead of studying and fitting themselves for higher positions in life. There was a large amount of chaff among the young people of Australia, but among those present, he was pleased to say, they could find the wheat.  

As with recreation then, educational classes not only improved the skills and knowledge of the workforce, they also persuaded workers from less efficient leisure pursuits. Libraries served a similar purpose. As Brandes notes, ‘libraries were a surrogate for the saloon. Hours spent in a company library were hours not spent in a saloon, or, in the case of working-class children, hours not spent roaming city streets’.  

In summary, children and adult education assisted companies in the attraction and retention of workers, particularly in isolated areas. It could also increase the immediate or future stock of labour by providing children or existing employees with the skills necessary to fill a range of positions within the company. By improving the general educational level of workers, employers also aimed to increase the quality of the existing labour force.

Managerial Prerogative

There were a number of ways in which educational services could build worker loyalty to the company and to managerial goals. Adult education was considered to have an uplifting influence on labour, in turn reducing worker militancy and radicalism. Indeed, the management of the NSW Government Railways saw the Institute as playing a major role in staving off the influence of the Industrial Workers of the World during the Great War. Assistant Commissioner Milne stated in November 1916 that the Railway Institute’s educational facilities would equip railway workers ‘mentally to form opinions on the great industrial and social problems of the day with consequent ability to analyse and refute any of the pernicious influences which strove to sway them from the path of duty.’ He later claimed that the Institute’s branches would be important factors in the war against ignorance ‘at the responsibilities of the individual in relation to industrial problems’, ‘ignorance of the value of time and opportunity’ and ‘ignorance of the duty of the individual as a factor in the state and national prosperity’.  

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The liberalising effects of education were also recognised by Farmer & Co. who in 1920 reported of their female workers, ‘once weekly they gather for discussion of current topics and general instruction with the aim of widening their outlook and stimulating thought.’ Similarly, in the years following World War One, tobacco manufacturers W.D & H.O. Wills introduced an ‘Educational Scheme’ for employees. Workers were encouraged to discuss topics such as English literature and geography, and to debate controversial issues such as immigration, White Australia, socialism, and trade unions. As a management journal stated of the scheme:

…the kind of welfare work carried out by these admirable companies is calculated to do more to refute and destroy communism than all the propagandist literature ever published. Nothing could be more productive of goodwill between employers and employees…Employers of labour are too apt to ignore the human side of industry, too apt to treat employees not as human beings, frequently keen of intellect and emotionally sensitive, but as mere tools for the production of values. That is bad morals, bad psychology, and in the end, bad business.

Employers provided company libraries for similar reasons. According to Brandes, employers considered books important for their liberalising influences. As one advocate in the US argued, libraries would ‘open the vision of the people and widen the horizon so that they can see that both laborer and employer are working for the same end, and that industrialists through the accumulation of wealth have pulled all levels of society to a more comfortable and broader life.’ A similar view is evident in the words of E. B. Taylor, NSW Railway Institute Council Chairman, in 1913:

It is necessary that a man, unless he intended to be a mere vegetable, should be a reading man, in order that he might learn something of the history of mankind, something of the history of our institutions, and something of the struggle which brought these institutions into existence, so that he might gauge and appreciate the conditions of the present day. In the library they provided that food…A man’s first aim should be to make himself efficient in his calling – to be at the top of his class, and ready and capable of accepting any other position which might be for his betterment.

Thus, some employers saw the value of books in enhancing worker respect for, and loyalty to, the employer. The holdings of libraries reflect this objective. Company libraries in
Australia, like those in the US, emphasised biography, history, technical matter and popular magazines. The concentration on history may support the views of Taylor – that knowledge of the past would convince workers of their good fortune to be working under the present conditions. This would, it was hoped, motivate greater work effort and reduce worker resistance to managerial goals and authority. The popularity of biography similarly reflects an attempt to enhance worker ambition, work effort and co-operation. According to Brandes, the focus on bibliography ‘represented a belief in Horatio Algerism’ – workers would strive to better themselves if they read of a man who had worked his way up from poor beginnings to the top of industry.  

Libraries could also bring employers into closer touch with their workers, an important factor in attempts to create a unitarist workplace culture. As one US employment manager noted, the company library was an important channel that helped the employment department ‘to know each worker individually.’ She also hoped to open up ‘avenues’ so as to get into ‘close touch’ with the workers. A number of Australian company libraries such as Murdoch Ltd., in Sydney, provided suggestion boxes for workers to offer input on new purchases. This implied employer concern for the personal interests of workers and could foster better relations as a result. Indeed, company support for educational instruction served the same purpose. As the Managing Director of Shell Australia noted of the company’s encouragement for further education, ‘All this tends to give the young employee a feeling that Shell is interested in him and his future – that he does “belong”…that he’s not just a cog in a machine’.  

House journals were also designed to convince employees that the company cared about their personal goals and aspirations. This is apparent in the large amount of space devoted to issues such as births of children, marriages, travel, promotions and general gossip. Indeed, a 1948 survey of 83 house journals in Australian industry found that on average these journals devoted 42.7 per cent of space to material of special interest to employees including in-plant and off-plant personal items and company sporting and social activities (see table 6.1). As Brandes noted; ‘When employees saw their own goals and those of their work-mates materialising, they would develop a consciousness of their stake in the company’s success. The feeling that personal goals could be achieved by association with a company would manifest itself in an enhanced spirit of cooperation, mutual respect, and esprit de corps’.  

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House journals could also create a unitarist culture by building worker trust in management.\textsuperscript{59} Often an executive would write a column for the magazine, an editorial or a series of articles, depicting him/her as very knowledgeable and in turn impressing upon the employees their management’s wisdom. Similarly, magazine editors often tried to build trust by personalising management. In general, this meant portraying executives, not as impersonal bureaucrats, but as humans. As Brandes states: ‘Such men resided not in distant offices but rather had photographs, biographies, and human concern for the plight of even the most lowly employee.’\textsuperscript{60} For example, the front page of the Sulphide Corporation’s employee magazine at its Cockle Creek Chemical Works was devoted to ‘Potted Biographies’ – photographs and autobiographies of one staff and one non-staff member.\textsuperscript{61} This could create the impression that every individual was equally valuable to the organisation.\textsuperscript{62}

Once the employees accepted management’s expertise, so the assumption went, they would be content with their place in the organisational hierarchy.\textsuperscript{63} This would increase compliance to management’s dictates, in turn fostering industrial peace and harmony. Nevertheless, a 1949 study of James Hardie & Co. indicates that too much focus on management as experts, and as humans, could breed resentment amongst employees. The following comments were typical of employee views about personal items in Fibrolite Trimmings, the house journal of the company: ‘The men are interested in news of the factory doings’; ‘There is too much about the lives of senior company men. They forget that some employees also have very interesting lives’; ‘Some fellows like the bits about their work friends the best’; ‘Trimmings only contains items about the office people. I submitted a notice about my mate’s engagement, but it wasn’t published. Who cares what the office people do, or whether office blokes plant lawns or build houses in their spare time?’\textsuperscript{64} This suggests that workers were more likely to identify with each other on a personal capacity through house magazines than with management and the company as a homogenous unit.

Overall, as the above discussion indicates, house journals were designed to create unity and bind the members of the company together. As the General Manager of the Bank of NSW wrote in the first issue of The Etruscan, the Bank’s journal: ‘The acquisition of further knowledge and the development of efficiency are essentials, but no aim is more important than the maintenance, throughout the service of the spirit of fellowship, mutual
confidence and co-operation, that are characteristics of our staff. It was in the minds of those who moved for the establishment of this magazine that, in drawing us all still further together, it would strengthen the unity that is a feature of our service today.65

Another means of building a sense of unity through house journals was by creating the impression that a worker belonged to ‘one big happy family’.66 Such a unitarist view of the workplace often depicted itself in the names of the magazines, for example, Between Ourselves, We at Shell. Other titles sought to dispel the harshness of industrialisation by injecting a touch of humour such as Gunam Flash, Hendon Howl, Wrangler.67

Some titles portrayed a deeper message. The name of the Bank of NSW’s journal, The Etruscan, came from the Bank’s motto, ‘Sic fortis Etruria crevit’, meaning ‘Thus Etruria grew strong’. Originally the motto of the Colony of NSW, it was first used by the Bank on bank notes and certain official papers in the 1820s. It ceased to be the Colony’s motto in 1839 and the Bank stopped using it in the 1840s only to revive it in 1930. The author from which the motto was derived was the great Latin poet, Virgil (70-19B.C.), and the passage was from his Georgics, Book II. The poem deals with farming and the life of the country-man, and states the principles which Virgil considered all-important in life. Some men, he points out in the Book, sail off on journeys of exploration, others take part in fierce battles or become obsessed with the pursuit of money, ‘but the farmer parts the earth with his curved plough’, works and rests and works again. ‘This life in old times the ancient Sabines led; this life led Remus and his brother; thus Etruria grew strong and Rome became the glory of the world…’ As stated in The Etruscan: ‘And so those few words come to us as a summary of Virgil’s principles and personal creed of toil and perseverance in a background of broad human culture and integrity. Such was his gospel for progress in the fair land of Italy. Out motto represents the mature wisdom of a past civilization, offering to us sound guidance in the development of a young country.’68

Indeed, it also mirrored the company’s gospel for the progress of the Bank. In equating the poem’s message to industry, to sail off on journeys of exploration reflects labour turnover, and taking part in fierce battles or becoming obsessed with the pursuit of money mirrors industrial conflict and the push for higher wages. However, if the employees worked hard with dedication and integrity, the Bank would grow strong, and Australia would become ‘the glory of the world’. Employees could therefore feel satisfied with their contribution to the greater good of the nation.
The above discussion indicates a subtle approach to moulding worker attitudes and building unity and commitment. According to Brandes, most editors of house journals in the US preferred this indirect method of conveying their message. Indeed, a 1922 report by the National Personnel Association ‘showed that editors treated frank discussion of controversial topics much like a cat treats water’. The content of these journals focused mainly on trivia and ‘folksy humour’, however they were still designed to sell a social message. As one editor said: ‘Call it education or propaganda or what not, a continuous campaign of thought direction is necessary…in order to produce the greatest degree of loyalty and efficiency.’

Nevertheless, some companies rejected the subtle approach and directly promoted managerial goals through their house journals. Indeed, while the *NSW Railways Budget* contained the general light-hearted content found in other journals, the goals of unity and efficiency were explicitly promoted. The initial editorial of the *NSW Railways Budget*, stated that it aimed to increase the workforce’s ‘esprit de corps’ and that the railway’s success depended upon the co-operation of all, that there could not be any ‘drones’, as ‘all must be working bees in this hive of industry; each in his allotted sphere must work with earnestness to build a complete and harmonious whole’.

In the next issue it was noted that ‘in whatever respects its scope is extended, the original intention remains fixed – that is, that the goal of every railway and tramway man’s ambition must be the betterment of himself and the improvement of the service we render to the public’.

*The Staff* incorporated the existing publications of the Railways – *The Railway Magazine, The Commissioners Monthly Bulletin, the Safety First Pamphlet* and *It’s Your Service – Help Improve It*. The latter was a monthly four-page publication launched in November 1921 with the aim of ‘securing the better co-operation of staff in their efforts to achieve the highest possible efficiency’. It presented the previous month’s results of working and indicated paths to future improvements, and stressed the importance of public relations, economies, cooperation with and loyalty to management. In addition, the publication emphasised that it was the worker’s fault and not his job, if he disliked his
work, and pointed out the opportunities of advancement and community service through hard work.

The content of this publication remained unchanged when it was incorporated into *The Staff*. Separate sections were devoted to ‘Its Your Service’, and to ‘Safety’. Quotes about efficiency were often scattered throughout the pages of *The Staff* such as this from George Ade: ‘Every man is a busy bee when he finds the work he likes. He is called ‘lazy’ only when he hangs back on a job that does not arouse his interest. Get friendly with your task and the hours will be short’. And this from Henry Ford: ‘A manual labourer must have a limit on his hours, otherwise he will wear himself out. If he intends to remain always a manual labourer, then he should forget about his work when the whistle blows; but if he intends to go forward and do anything, the whistle is only the signal to start thinking over the day’s work in order to discover how it might be done better.’ In addition, the journal reported the results of student’s exams, published lists of names of workers receiving bonuses and commendations for suggestions and inventions, encouraging the men to better themselves. Clearly then, *The Staff* was not an exercise in the subtle moulding of worker attitudes. It directly promoted its goals of unity, co-operation and efficiency and indeed emblazoned its motto of ‘Safety, Courtesy and Efficiency’ on the cover of each issue.

House journals were also a public relations device. Indeed, they provided an opportunity for companies to publicise their efforts to improve the physical and cultural wellbeing of workers. A 1963 survey found that those companies distributing magazines by mail did so with a view to fostering good public relations. Thirty-one of the 41 undertakings studied distributed copies outside the organisation. Recipients in order of frequency were retired officers, agents, parent or associated overseas companies, members of Parliament, customers, newspapers, unions, radio and television stations, schools, libraries, and other undertakings. The recipients demonstrate the widespread publicity gained from house-journals. While this could cultivate favourable public opinion, the focus on parliamentary members and unions also indicates a direct strategy to curtail outside intervention and regulation.

The NSW Railways provides an example of an undertaking using a house journal for public relations purposes. In December 1921 the Railway Commissioners appointed a Publicity Officer whose role was to supply information to the press concerning railway operations and to reply to correspondence and newspaper criticisms. By July 1925 the
Publicity Officer supervised all management publications, including *The Staff*. Consequently, a large proportion of the house journal was devoted to ‘Public Relations’. This section replied to the criticisms, complaints and misrepresentations laid on the railways by the media and press. The aim, according to the editor in the first issue, ‘is to assist every member of the railway and tramway staffs to be prepared to answer criticism, because we are all concerned when the service is attacked. If we are wrong, we will admit it; if our critics are wrong we will say so in plain terms.’

And in plain terms they did reply. Indeed, some readers resented the deliberate frankness that characterised this section of the journal. But as was explained: ‘When people who profess to speak on behalf of the public suggest that the railway and tramway services are inefficiently operated and staffed with incompetents, or worse, *The Staff* intends to stand up to them.’ However, this attitude could only be maintained if the services rendered were efficient. For this reason, it was stressed to the workers, ‘*The Staff* has no more time for the incompetent or inefficient employee than it has for the unjust critic…*The Staff* will fight both, because we realise that only in that way can we ensure for the services the measure of public approval which we are convinced is their legitimate due.’

Thus, the public relations section of *The Staff* served a number of purposes. Firstly it defended the company against public criticism and calls for outside intervention in the service. Secondly, it promoted reciprocal loyalty from workers – as was stated in the first volume of the Staff: ‘Help us, and you will find that we will be able to help you!’ If the enterprise was willing to so publicly defend the efficiency of its employees’, the workers were encouraged to provide work effort worth defending. It also created an ‘us against them’ atmosphere, in which ‘us’ were the entire Railway service, from the high commissioner down to the lowliest employee, hence creating unity within.

In summary, there were a number of ways in which educational services could reinforce managerial prerogative over personnel decisions and work effort. Adult education and libraries were considered to have an uplifting and liberating influence on labour attitudes, in turn reducing worker militancy and radicalism. Libraries could also bring employers into closer touch with their workers, an important factor in attempts to create a unitarist workplace culture. The creation of unity was also a key goal for house journals. Workers would identify their own and their families and friend’s interests with those of the firm and not risk their stake in its success by restricting work effort, pushing for higher
wages or going on strike. House journals could also create a unitarist culture by building worker trust in management, and by creating the impression that a worker belonged to ‘one big happy family’. While the majority of house journals were a subtle approach to moulding worker attitudes, some journals directly promoted the goals of management through the journal. Finally, house journals were a method of improving public relations, and therefore defending the business from outside criticism and intervention.

**Characteristics of Schemes**

**Gender Variations in Educational Classes**

Gender differences are apparent in the kinds of educational instruction offered. For example, while the men of the railways were lectured on travel, current events and the like during 1898, a series of lectures were delivered to the ladies of the NSW Railways on ‘Health’. The predominantly female retail trade also demonstrates this point. Anthony Horden & Sons offered classes in cooking, drama, psychology, literature, hygiene, home nursing and millinery. Grace Bros., started a ‘Boys’ Model Trader Club’ in 1923 to encourage them to become ‘men of business ability’ by selling the store’s catalogue on commission, but did not offer similar opportunities for their female employees. The gender element is also evident in the classes that were at times offered to the wives and children of workers. For example, as early as 1912 dressmaking and millinery classes for the wives and unmarried daughters of NSW Government Railway employees were held.

As noted in chapter four, in the period prior to the Second World War, the general consensus in society was that the female worker was a secondary wage earner and probably a transient who would leave the workforce upon marriage. While some employers of females, such as Farmers & Co., aimed to widen outlook and stimulating thought through education, in general, company education for female workers in the pre-War years was largely directed towards improving the domestic skills of the workforce.

**Library Holdings**

While the importance of biographies and histories was mentioned earlier, a large number of books held and read in non-technical libraries were fiction. In some cases, book selection
was closely censored. The policy of Toth's Brewery for example was that the purchasing of books be kept ‘within definite limits, by purchasing books that have proved to be really good works’. In other cases, suggestions were encouraged from the workers. The quality of fiction suggested varied depending on the company. The Bank of NSW claimed in 1955 that demand for Winston Churchill’s series *The Second World War* was high as were books by Richard Gorden such as *Dr in the House* and novels by Neville Shute and Georgette Heyer. *The Cruel Sea* (N. Monsarrat) and *The Caine Mutiny* (Herman Wouk) were also in high demand. The suggestion book of Murdoch Ltd.’s library revealed that Peter B. Kyne, Ethel. M. Dell and William McLeod Raine were the most popular amongst the predominantly female workforce in 1949. The men, according to the welfare officer, ‘seem to have a liking for stories of adventure – cowboy yarns too. The girls stick to light fiction, although Kipling and Charles Dickens have their share of popularity.’

The range of non-fiction books in company libraries supplemented the other welfare schemes of a company. The Bank of NSW Library was established around the turn of the century, although it was not until the early 1930s that it began to take a more formal and systematic shape. New books were purchased covering a variety of areas such as art, music, ballet, theatre, and sports, indicative of the social and recreational schemes of the bank. A section on ‘home improvements’ books covered all aspects, from the initial planning of the house, through its interior decoration, to the care of the surrounding garden, suggesting the promotion of home beautification. Travel books were also popular, encouraging workers to strive for a good vacation and thus promoting thrift and hard work.

**House Journal Content**

According to a report by the Metropolitan Life Insurance Co., the two primary aims of a house journal were to keep employees informed, and thus act as an educational tool, and to create an esprit de corps. It could also emphasis the human aspect of industry. The multifunction of a house journal was summed up by the General Manager of Dunlop Rubber as thus:

A house magazine...covers a wealth of day-to-day news of employee activities, personal paragraphs, etc., and there is always something in it of personal interest to every employee. At the same time the magazine can be used to present a variety of factual company information to employees in a
readable and interesting way. Staff and personnel changes can be announced. Safety and accident records can be published. Unusual or new products and jobs can be described. Outstanding performances of the company’s products can be related. Articles can be printed describing “the other fellow’s job”, where the raw materials come from, where the products go and how they are used, what the different executives do in this organisation. Facts and figures about the organisation can be presented, as well as the company’s trading results and the Chairman’s annual report.\textsuperscript{89}

The weight afforded the communication/education role of a magazine and the more general appeal topics designed to promote unity and disseminate company propaganda varied between companies. A 1948 survey of Australian industry discovered a trend away from persistent gossip in house journals, a trend that was also occurring in the United States. When the various topics in the journals were grouped, matters of special concern to management (company policy and practice, technical matters, safety and health) were given 27.2 per cent of the space, material of special interest to employees (letters to the editor, in-plant and off-plant personal items, and sporting and social activities) received 42.7 per cent, general material received 26.4 per cent, and advertising 3.7 per cent.\textsuperscript{90}

While this compared favourably to a study conducted in the US, it still fell short of the break down recommended by Biklen and Breth in their influential book ‘The Successful Employee Publication’. These authors recommended the following distribution of space: management matters 40 per cent; employees’ interests, 50 per cent; and other material, 10 per cent. Given that these recommendations were valid, the typical house journal in Australia should have devoted more space to management issues if it was to effectively fulfil its functions as an educational tool.\textsuperscript{91} The large amount of space devoted to general topics may be indicative of the need to provide general magazine appeal. More importantly, it suggests that Australian house journals were designed with an eye to creating unity and building contentment and commitment, as discussed earlier in this chapter. The findings of the 1948 survey are presented in table 6.1.
Table 6.1
Analysis of Topics Included in Eighty-three House Journals – 1948

<table>
<thead>
<tr>
<th>Topic</th>
<th>Average Percentage of Space per Topic (83 Magazines)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Company policy &amp; practices</td>
<td>17.7</td>
</tr>
<tr>
<td>Technical (eg. Explanations of processes, machines)</td>
<td>7.4</td>
</tr>
<tr>
<td>Safety &amp; Health</td>
<td>2.1</td>
</tr>
<tr>
<td>Letters to the Editor</td>
<td>0.3</td>
</tr>
<tr>
<td>In-plant personal items (eg. Promotions, transfers, retirements, personal photographs of employees in connection with their jobs)</td>
<td>10.7</td>
</tr>
<tr>
<td>Off-plant personal items (eg. Births, engagements, obituaries, gossip, off-job photographs)</td>
<td>18.5</td>
</tr>
<tr>
<td>Sporting and Social activities (connected with the company)</td>
<td>13.2</td>
</tr>
<tr>
<td>Travel articles</td>
<td>2.4</td>
</tr>
<tr>
<td>Women’s page (dealing with domestic topics, not women’s work in the factory)</td>
<td>0.4</td>
</tr>
<tr>
<td>Other magazine features (eg. Short stories, general articles, non-personal photographs unrelated to the plant)</td>
<td>11.0</td>
</tr>
<tr>
<td>Humour</td>
<td>4.0</td>
</tr>
<tr>
<td>Uplift (eg. Essay-type and inspiring articles, quotations)</td>
<td>2.9</td>
</tr>
<tr>
<td>General news (community, national and international matters)</td>
<td>3.3</td>
</tr>
<tr>
<td>Advertising the firm’s products</td>
<td>2.0</td>
</tr>
<tr>
<td>Other advertisements</td>
<td>1.7</td>
</tr>
<tr>
<td>Unclassified material</td>
<td>2.4</td>
</tr>
</tbody>
</table>

A 1949 report on the house journal of the manufacturers James Hardie & Co., at its Brooklyn factory and South Melbourne office, Victoria, is indicative of the problems associated with balancing the material in a journal. The contents of the five monthly issues of *Fibrolite Trimmings* as the journal was called, were compared to the 1948 survey (above) and the findings are presented in Table 6.2.

### Table 6.2

**Analysis of James Hardie & Co.’s House Magazine *Trimmings***

<table>
<thead>
<tr>
<th>Contents</th>
<th>Space Allocation</th>
<th>1948 survey of 83 journals</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Trimmings %</td>
<td></td>
</tr>
<tr>
<td>Company policy and practice</td>
<td>6.1</td>
<td>17.7</td>
</tr>
<tr>
<td>Technical</td>
<td>30.2</td>
<td>7.4</td>
</tr>
<tr>
<td>In-plant personal items</td>
<td>3.1</td>
<td>10.7</td>
</tr>
<tr>
<td>Off-plant personal items</td>
<td>21.7</td>
<td>18.5</td>
</tr>
<tr>
<td>Sporting and social activities</td>
<td>16.4</td>
<td>13.2</td>
</tr>
<tr>
<td>Travel articles</td>
<td>1.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Other magazine-style features</td>
<td>9.5</td>
<td>11.0</td>
</tr>
<tr>
<td>Humour</td>
<td>1.3</td>
<td>4.0</td>
</tr>
<tr>
<td>Uplift</td>
<td>10.1</td>
<td>2.9</td>
</tr>
<tr>
<td>Unclassified material</td>
<td>-</td>
<td>12.2</td>
</tr>
</tbody>
</table>


Table 6.2 shows that *Trimmings* devoted a greater proportion of space to management topics than average, although this was mainly made up of technical issues rather than company policy and practices. As part of the study, employees were asked whether they considered that *Trimmings* should contain more, less, or the same amount of certain kinds
of information. The results indicated that the journal did not adequately meet the employees’ ideas of how space should be allocated. The subjects that received relatively little attention at that time headed the preference list. Of special interest were those topics relating to working conditions, company problems, and company products. Further investigation through means of interviews with employees shed some light on why these issues were important to the employees. Typical of responses are the following examples:

‘Management, not only at Hardie’s, are at their wit’s end to stop people leaving, and the things we now have and the way management is now treating us may be only a means of overcoming present difficulties. What if work becomes scarce? Will all these things be suddenly taken away?’

‘Yes, I’m on bonus, but I don’t know how long it will last.’

‘If things take a turn for the worse, will these Committees and things disappear?’

‘The firm has done a lot for men’s working conditions, but will it last?’

Workers, therefore, were concerned about security of employment and were suspicious of how long the co-operative effort of the company would continue. They were thus not convinced by the company propaganda disseminated through house journals. In turn, while management was happy to use the house journal as an educational tool to update workers on the technical aspect of their work, it remained guarded in terms of how much information regarding business operations should be shared with employees. A 1956 survey of 48 NSW house journals supports this conclusion. Seventy-four per cent of these house journals contained details on company products, and allocated on average 21.7 per cent of space to this subject. However, only 24 per cent of the journals included details on the future plans of the company, and allocated an average of 5.8 per cent of the journal to this issue. Thus, in general, house journals represented a façade of consultation with the workforce regarding personnel decisions.

A notable trend revealed by a comparison of a 1954 and a 1963 survey was a swing, particularly among larger companies, towards making public relations departments responsible for the production of house journals. Table 6.3 shows a comparison of the location of the editorial function.
Table 6.3
Location of House Journals Editors – 1954 and 1963

<table>
<thead>
<tr>
<th></th>
<th>Editors in Personnel Dept. (%)</th>
<th>Editors in Public Relations. Dept. (%)</th>
<th>Editors in Other Locations (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1954</td>
<td>32</td>
<td>19</td>
<td>49</td>
</tr>
<tr>
<td>1963</td>
<td>15</td>
<td>59</td>
<td>26</td>
</tr>
</tbody>
</table>


Of the editors who were in other locations, two were full-time editors, two training officers, one a research officer, one an assistant sales manager, one a stationery department manager and one a production engineer. In three undertakings the journal was associated with the social clubs which supplied the editors. Two companies made specific mention of editorial committees whose membership comprised mainly selected departmental managers. One of these also included the deputy managing director on its committee.

Clearly, the nature of the editorial location could define the content of a house journal. Indeed, a marked drop in space devoted to ‘off-plant personnel items’ and a slight drop for ‘sporting and social activities’ accompanied the reduction in the number of personnel departments having editorial responsibility for the magazines. At the same time, there was an increase in ‘technical items’, ‘general news’, and ‘other items’. Moreover, in the period between the two surveys, the main changes to the journals in general were in colour content and the use of pictures, particularly of employees and of their friends, and of new plant and other work areas. This was a public relations attempt to increase the interest in the magazine and the company.

There were other factors that determined the content of the house journal. The 1948 survey grouped the establishments studied into men’s industries, textile mills, department stores, women’s industries and interstate firms. The distribution of space between topics shown by the ‘men’s industries’ magazines was very similar to that shown by the total 83 firms. The textile mill magazines had the least space devoted to communications from management. Indeed, 70 per cent of space was given to material not related to the work situation, indicating that these magazines were not primarily used as a means of
communication, but rather to build an esprit de corps. Similarly, the magazines from the ‘women’s’ industries devoted most space to topics not related to the plant. On the other hand, from the five groups, the magazines of the department stores devoted the most space to ‘management communications’.

It was suggested in the report that it may be that the department stores, because of the nature of business, tend to include their employees in their public relations policy – not only were the employees in close contact with the buying public, they were also potential customers – and so keep them informed on company policy, practices and developments. This assumption was consistent with the fact that it was these magazines that gave most space to advertising. Further, the companies based in more than one state were all of high quality and, while devoting much of the same space to employees’ interests as the other groups, these magazines paid more attention to in-plant personal items. According to the report, this arose from the need to keep employees informed of other branches activities, a need not so prominent when employees were in one establishment. Thus, the content of journals often reflected the differing needs and employee interests, as well as managements’ objectives.

Particularly in the period prior to the Second World War, house journals emphasised the perceived role of women in industry and at home. For example, the Bank of New South Wales often included articles that would interest the females such as ‘A knack with Nylon’, ‘Women and Television’, ‘Wine, Women and…Devilled Crab’, as well as advice on how to create a healthy diet for a family. Reekie demonstrates how house journals in the retail industry promoted the gendered expectations of staff. David Jones’ *Between Ourselves* for example urged male employees to ‘stick with the firm’ by pursuing long-term career goals, while ‘women were subjected to numerous, if chatty and often humorous, injunctions relating to their physical appearance, deference to male authority and the adoption of middle class values of respectability’. A common theme was the necessity for a saleswoman to be ‘charming’ to her customers. As Reekie notes, ‘A charming feminine and deferential sales assistant would not only secure more custom for the store but was also less likely to challenge her employer over wages and working conditions’.

In terms of readability, most studies of house magazines during the 1950s and 1960s used a method devised by Robert Flesch, which was based on the length of sentences
used together with syllable count of the words in a set sample passage. A 1949 study of the readability of Australian magazines based on this method concluded that: ‘nearly three-quarters of our sample of eighty-three house magazines are either fairly difficult or difficult to read. In human interest, they do rather better, but even so, nineteen of the eighty-three magazines are dull or only mildly interesting. This evidence, which agrees with what one might have thought from a critical scanning of the magazines, suggests that house magazines suffer as a means of communication because they are not as readable as they might be’. It could thus be concluded that many workers would not pay the house journal more than a fleeting glance, or at most would read the human interest sections, disregarding the works information and reducing the educational value of the journal.

**Labour Response**

As the most comprehensive welfare effort directed towards adult education, the NSW Railways provides some enlightening findings. The fact that the Institute attracted some support from unions is indicative of the workers’ interest in progressing up their career ladders. As early as 1880, Penrith enginemen established a mutual improvement society to discuss their work. In 1888 the LEDFCA resolved that each branch of the union form mutual improvement classes to discuss enginemen’s work and hear lectures on locomotive subjects. The ARTSA also promoted education and saw an early objective of the union as being the establishment of a ‘library and lecture hall for the purpose of elevating its members mentally, morally and intellectually.’

Against this background, it could be expected that railway workers would show full support for the activities of the Institute. However, the 1912 annual meeting reported that members of the Institute only represented about 7 per cent of the staff. Three reasons were offered for this: the staff were scattered throughout the length and breadth of the lines; many staff were bettering themselves through promotions; the Institute was not political. The membership had dropped to 5.7 per cent in 1914 and despite organising in country areas and an expansion into social activities during the Great War, this had only increased to 13.4 per cent in 1918. By 1920 management had become concerned with the apparent
lack of confidence in the Institute on the part of the employees. They claimed that workers wrongly saw the Institute as serving the Commissioners rather than helping the staff.\textsuperscript{101}

Such suspicion was overcome by increasing the educational importance of the Institute. From 1918 departmental heads and the staff board increasingly recognised Institute certificates in promotion. The Institute also had responsibility for examining subjects such as safe-working and railway accounts from 1920 onwards, and used these exams for promotion and periodical reviews of seniority. As a result, its membership increased from 16 per cent of the workforce in June 1920 to 48 per cent in 1929, and class enrolments increased from 2,568 in 1920 to 7,117 in 1929.\textsuperscript{102}

Despite the increased membership, labour suspicion still existed. The educational importance of the Institute meant that, failure in some exams meant either no promotion or even demotion. Some members criticised the Institute’s administration of examinations, claiming that it set unfair pass levels of 70 per cent and inconsistently allowed some employees to re-sit exams while demoting others for failing one exam. Disgruntled enginemen criticised the Institute for appointing ‘ignorant’ and ‘incompetent’ traffic employees to examine them. Such discontent increased workers demands that the Institute’s revenue be directed to improving working conditions and brought allegations from employees that management exploited their fear of exam failure to force them to join the Institute. Ultimately, some members requested that the NSW Branch of the ARU and the NSW Division of the Australian Federated Union of Locomotive Enginemen boycott the Institute. This request, however, did not receive the support of the unions who saw distinct benefits for their members deriving from the Institute.\textsuperscript{103}

While recognising the benefits of the classes, the ARU nevertheless attempted to undermine the propaganda value of the Railways’ broader education program by establishing its own. According to Hearn, the main function of the union’s Educational and Organising Committee was “to encourage members to understand their position in society as active unionists, “as a prelude to taking control of the social and economic machinery and operating it in the interests of the workers.”” To that end, during the early 1930s the ARU established its own library, published pamphlets on political and industrial subjects, and organised lectures for members. As Hearn indicates, in 1936 the library contained around two hundred and eighty-five volumes including Jack London’s \textit{Call of the Wild}, Marx and Engels \textit{Capital}, and the \textit{Communist Manifesto}, and Aldous Huxley’s \textit{Brave New
World. Such holdings indicate that the union too understood the value of libraries in moulding worker attitudes.  

Unions also published journals for their members and this could be another method to undermine the propaganda disseminated through company house journals. In 1922 the Clothing Trades Union retaliated against the welfarism of Pelaco in the Union journal, warning workers not to mistake the better wages and conditions for philanthropy, ‘since it paid the bosses to keep the workers contented and willing’. The Union also warned that the propaganda in the Pelaco house journal was ‘an insidious weapon against unionism and class-consciousness, and that workers should not feel too contented since that was the “first stage to retrogression”’. Similarly, when The Staff was launched in 1924, the NSW ARU advised its members to return it to the postman unopened as it was a ‘bucket of whitewash for the Commissioners and their satellites.’ The Railway and Tramway Officers’ Association’s Gazette was less critical, congratulating the first issue of The Staff, but at the same time stated that the editorial gave the false impression that the Commissioners were ‘philanthropists’.

In other cases, workers used the house journal as their own medium through which to criticise management practices. Indeed, the employees of David Jones used Between Ourselves, the company house journal between 1919 and 1921, to express discontent with, for example, ‘irksome house rules, dress regulations and an unequitable distribution of the yearly bonus.’ The ability of workers to speak out in this fashion was clearly determined by the editorial location of the journal.

Shop-floor response to house journals was demonstrated in a number of ways – the eagerness with which the issues were awaited, comments made to editors and reporters, and the number of copies discarded immediately. The 1954 survey found that most editors claimed a reasonable assessment through such indicators. However, if designed as a communication tool, articles that management especially desired employees to read, for example matters of policy, changed conditions of work, and balance sheets, needed to be read as well as the more general issues. On the other hand, some workers expressed a desire for journals to contain more information pertaining to the business side of affairs. As demonstrated by the staff at James Hardie & Co., workers were often not convinced by employer attempts at industrial co-operation by way of wage incentives and welfare schemes. Nor were they convinced by the propaganda disseminated through house journals.
Based on the responses from the workers regarding the content of *Trimmings*, employee trust and co-operation would have more likely resulted from honest, direct communication from management rather than subtle attempts at propaganda.

**Conclusion**

The fundamental philosophy behind company-sponsored education was of producing an improved worker. As Brandes asserts, it was the beliefs ‘that educated, uplifted workers would last and that education could be the solution to the problems of an industrial society – that marked every aspect of businessmen’s involvement in their employees’ education’.

In Australian industry, it was primarily those companies in isolated areas that sponsored the education of workers’ children. Adult education, while an important aspect of welfarism in some public sector enterprises, was generally limited to libraries and house journals in the private sector. These facilities increased in incidence during the post-War period, the latter becoming a common method of improving management-employee communications and creating unity in the company ‘family’. Nevertheless, while an increasing number of companies were experimenting with these schemes, for the vast majority of small enterprises they were not feasible. The number of employees did not justify establishing educational facilities or libraries, and simple personal control of the manager or foreman prevailed as an effective form of labour management, minimising the need to improve communication techniques.

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1 Hay, ‘“For the benefit of the company”’, p.2.
3 ibid, p.29.
4 For example, Jason Industries refunded the costs of Technical College courses and participation in activities of the Australian Institute of Management and other institutes, provided the education was undertaken with the prior approval of management, S.Bridge, ‘Welfare in A medium-Size Australian Factory’, *PPB*, Vol. XV, No.2, June 1959, p.14. Similarly at Payen Byrne & Blackford, courses of study were subsidised wholly or in part by the company, C.B. Byrne, ‘Employee Welfare at Payen Byrne & Blackford’, *PPB*, Vol. XV, No.2, June 1959, p.42.
7 Correspondence from Vice President, Metropolitan Water Sewerage and Drainage Board to J. P. Carrington Esq, A/Asst. Director, IWD, DLNS, 20 February 1947, AA, Series SP146/1, item 572/8/10.
17. ibid, p.56.
23. ibid, p.21.
24. ibid, p.58.
31. ‘To Discuss Possibility of Establishing Factory Newspapers’, 20 May 1943, AA, SP 146/1; 575/5/2.
32. Correspondence from S.D.McPhee, Deputy Director, IWD to E.J.Moran, Welfare Officer, West Maitland; Factory News Sheets, 27 Nov 1943, AA, SP 146/1; 575/5/2.
33. A.C. Clarke, ‘Australian House Magazines’, *BIPPP*, Vol.V, No.1, March 1949, pp.10-20; W.P. Butler, ‘An Examination of Australian House Magazines’, *PPB*, Vol.XI, No.4, pp.53-61. The 1948 survey covered a range of industries, the main ones being industrial metals and machines, chemicals, paints, etc., textiles and warehouses and retail stores. The organisations ranged in size from less than 1000 to 27,000 employees. The 1954 survey covered 21 industries, the most heavily represented were chemicals and oil, paper products, and metal manufacture, vehicle construction, and retail. Thirty-three of the establishments employed more than 1,000 employees, and a few distributed them to scattered units of organisations one of which employed a total of 70,000 people.
35. J.L. Deacon, ‘House Magazines Reviewed’, *PPB*, Vol.19, No.3, p.17. These findings were based on a survey of 41 Victorian undertakings operating house journals. Five employed over 10,000 employees, seven between 5,000 and 10,000, 16 between 1,000 and 5,000, seven between 500 and 1,000 and six less than 5000. A wide section of industry was represented including chemicals and oils, vehicle construction, metal manufacturers, building materials, paper products, plastics, textiles, transport, commerce, and public utilities.
39. Prior to the War, the main services to rural areas were the provision of classes in major country centres and correspondence courses. However, from May 1915, the Institute established country branches, numbering at least ten by August 1917. Buildings were provided for reading rooms, classrooms, gymnasiums and billiard rooms, the Commissioners supplying the materials for the buildings, subsidising rent and accepting liabilities. In some centres, management took over existing Schools of Art to provide facilities for the Institute, and during 1916 the Institute hired an organising secretary to recruit country railwaymen, Patmore, *A History of Industrial relations in the NSW Railways*, p.310.
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CHAPTER SEVEN

Health and Accident Schemes:
Company Funds, Safety First and In-house Medical Care

This chapter examines health and accident schemes in Australian industry between 1890 and 1965. These include sickness and accident, medical, and hospital funds, as well as the more preventative schemes such as safety first campaigns and in-house medical care and counselling. The chapter begins with an overview of health and accident schemes in Australia. Evidence suggests that the primary motivation behind the introduction of these schemes was the legislative initiatives of Australian governments in the area of workers compensation. However, a number of companies operated these schemes for additional reasons.

In the first place, they were a method of increasing the quantity and quality of a company’s labour stock, as is discussed under the heading Labour Supply. Secondly, health and accident schemes could reinforce management’s control over the workforce. The ways in which this was achieved are examined under the heading Managerial Prerogative. This discussion highlights how health and accident schemes fostered reciprocal concern and loyalty from workers, controlled and reduced malingering, moulded worker attitudes in respect to accidents, and built worker dependence on the company.

Under the heading Characteristics of Schemes, the chapter considers the arrangements governing contributions to and administration of sickness and accident funds, and the formality of safety schemes and in-house medical care in the post-War period. Labour response to health and accident schemes is then examined.

Overview

Work-related injury, disease and death were a major problem in Australia during the nineteenth century. In the mines and factories workers faced untold dangers during the early stages of the Industrial Revolution. Rural workers also faced numerous occupational hazards. Merritt demonstrates the problems amongst shearers caused by constrained
posture, heavy lifting and repetitive movements\textsuperscript{2}. In addition, there were those who hewed farmland out of virgin bush with hand-saws, the ploughmen, reapers, mowers, thrashers and wheat grinders\textsuperscript{3} all of whom chanced injury or death every day. Nevertheless, until the early twentieth century, company involvement in employee health and accident care was rare. This can be mainly attributed to the fact that the law was heavily on the side of the employer. The *Master and Servants Acts* required the employer to take reasonable care not to subject the employee to unnecessary risks. Beyond this, the burden was on the worker, in order to recover for injury, to prove that the employer was completely at fault. This was made difficult due to the restrictions imposed by three common law doctrines - ‘the doctrine of common employment’, which prevented suing in respect of an injury caused by a fellow worker, ‘the doctrine of contributory negligence’, whereby any fault on the part of the worker in terms of the injury constituted a barrier to recovery, and the principle of ‘volenti non fit injuria’, whereby if the worker was aware of potential dangers he could not claim for an injury subsequently suffered.\textsuperscript{4}

An example of the unsympathetic attitude toward worker sickness and accidents is provided by the NSW Government Railways. According to Patmore, work hazards arose from late trains, fatigue, and an unsafe permanent way. Further, the outdoor nature of railway work under extreme temperature and conditions meant that railway workers had a higher incidence of sickness than the general community. Despite this, management blamed most accidents on employee negligence – 85 per cent of accidents were put down to this – and did not provide relief. Consequently, railway staff themselves formed sick and accident funds, the earliest of which was formed in 1865. Management encouraged these funds and even subsidised them from fines imposed on workers for offences that did not involve damage to property. In addition, they established an ‘understanding’ that workers would not receive any accident pay if they did not join the fund. Indeed, it was hoped that these funds would eliminate the need for accident pay.\textsuperscript{5}

The lack of legislative support coupled with the excess demand for labour in the late 1880s created an atmosphere conducive to the growth of collective worker action over the issue.\textsuperscript{6} Subsequent legislation, both in Australia and Britain, provided for ‘Employers’ Liability’, yet maintained, to a degree, the restrictions imposed by the common law doctrines. This failure in the eyes of the workers led to the increasing calls for more acceptable legislation – legislation that would allow for compensation. Finally, in 1897 the
British Parliament adopted a statutory no-fault system of workers compensation. This scheme was modelled on developments elsewhere in Europe, particularly Germany. The legislation required employers to insure against the risk that an employee’s earning capacity might be interrupted by a work-related injury. In such a situation, the employee was entitled to a certain level of income maintenance funded through the employer’s insurance policy. All of the Australian States adopted similar provisions during the early decades of the twentieth century.\(^7\)

This legislation encouraged a number of enterprises to experiment with accident and health schemes. In 1917, BHAS at Port Pirie proposed a sickness and accident fund for its employees following an amendment to the South Australian Workmans’ Compensation Act, 1910.\(^8\) As early as 1888, following the introduction of the Employers’ Liability Act which the Railway Act guaranteed would cover all railwaymen, a proposal was put forward by Commissioner Eddy of the NSW Railways for a Pension and Provident fund to cover sickness, accident and old age. This enterprise also introduced the Railway Ambulance Corps (RAC) in 1885. The objectives of the RAC as stated in 1920 were to train employees to ‘render efficient first aid in cases of accident or sudden illness’, ‘exercise skilful service by means of which a patient will be conveyed safely to hospital or home’ and to ‘intelligently assist medical men in cases of accident or sudden illness’. Thus, it made a direct contribution to railway safety by providing immediate assistance in the case of accident or illness.\(^9\)

The RAC organised classes and examinations on first aid, awarded certificates to successful candidates, and held drills of members. To stimulate interest in the Corps, the Railway Commissioners introduced a Challenge Shield in 1900. This shield was competed for annually by squads from all parts of NSW. The names of the winning team were inscribed on the Shield, and each member of this team was presented with a gold replica, the second and third teams receiving a silver and bronze replica respectively. Interstate competitions were started in 1920. The members of the RAC also competed annually for the Dr. Woodward Memorial Medals, presented in memory of the late Railway Medical Officer who initiated the first course of lectures in 1885, and the Milne Cup, awarded annually to the employee whose practical first aid was deemed by the Railway Medical Officer to be the most praiseworthy.\(^10\) While slow to develop, by June 1921 the number of employees to have undergone first aid training totalled 11,289.\(^11\) Further legislation
encouraged the management of NSW Railways to broaden their attempts to minimise the
number of accidents in the railway industry. Against the background of a rapidly increasing
railway accident rate and the Wade Government’s Workers Compensation Act, the
combination of which brought much cost to the NSW Railways, management established
the ‘safety first’ movement in 1914. The term ‘safety first’ originated in the US Steel
Corporation, although the ideas of the Railway management were drawn chiefly from US
and British railway companies. In August 1914 a committee of eight officers nominated by
branch heads was appointed to supervise the safety first scheme. This committee’s major
publicity tool was the Safety First bulletin first published in January 1915 containing
drawings and photographs of how accidents arose, safety hints and slogans, medical
articles, and general safety first news. The safety first message was promoted further
through meetings at various railway centres, safety first buttons, the establishment of local
committees, representatives and a membership roll.\textsuperscript{12} By October 1916 4,000 railway and
tramway employees had joined the safety first movement.\textsuperscript{13}

The popularity of safety first continued to increase in the public sector Railways
over the next few years. In August 1919 the Commissioner saw fit to abolish the honorary
committee and part-time joint secretaries and to appoint a permanent secretary to
administer the movement. However, it was during the 1920s that the movement
experienced the most rapid expansion. The number of safety first representatives increased
from 61 in 1920 to 269 in 1922, with each representative covering 100 employees. Early in
1921 management inaugurated annual conferences of safety first representatives, 224 of
which attended the 1929 Conference. The message was promoted through various means
including a number of ‘drives’, defined by management as ‘a special effort made over a
given period when all concerned devote their energies to achieving something better than
average’.\textsuperscript{14} The first safety first drive involved a ‘no accident month’ in November 1922.
This involved the issuing of special bulletins and holding lunch time meetings. Around
9,000 employees signed no accident pledges and received I-am-for-No-Accident-Month
buttons. This drive resulted in 22.5 per cent less accidents than in November 1921 and was
so successful that management continued to have November safety first drives throughout
the 1920s.\textsuperscript{15}

The popularity of sickness and accident schemes also increased during this period.
The 1920 ACSI study found a significant number of companies operating funds for this
purpose, while a smaller number also provided benefits for medical care. The Wallaroo and Moonta Mining and Smelting Co. Medical Fund, for example, provided for the medical attention and medicine of subscribers and their families. This was in addition to the benefits provided in the case of illness and accident occurring in the company’s employ.\(^{16}\) Likewise, CSR’s Benefit Society provided sick pay and maintenance in hospital, and for employees providing higher contributions, also insured medical attendance and medicine to the families of members.\(^{17}\) In the public sector, the NSW Railway and Tramway Hospital Fund provided workers with free treatment at certain hospitals, and subsidised the cost of care in private hospitals.\(^{18}\)

By 1931, Mauldon found that, from the 76 private establishments with organised welfare schemes, 21 had sick and/or accident funds. While seemingly low, this number represents the most common form of pecuniary welfare provision at the time. According to Mauldon, these funds were ‘the first stage above the requirements of the state Workmen’s Compensation Acts in the development of the more elaborate plans’ that included provident funds, life insurance, pensions and superannuation funds.\(^{19}\)

It was also during the 1920s that some companies began to introduce in-house medical care. The origins of in-house medical care overseas can be traced back to the nineteenth century emergence of welfarism itself. It was the growing attention to dangerous working conditions and concerns about industrial hygiene and employee welfare that led some employers such as Krupp in Germany, Cadbury’s, Rowtree’s and Leverhulme’s enterprises in Britain, and Ford and Goodyear in the United States to establish medical facilities such as hospitals and first aid rooms.\(^{20}\) During World War I, such practices became popular, mainly in response to the problems faced by the large numbers of women employed in war industries in Britain, Europe and the US.\(^{21}\) While the Australian context did not provide the same incentives during the war, some companies nonetheless initiated in-house medical schemes of some description.

While, particularly in the early years of the twentieth century, medical care was often limited to first aid facilities, perhaps with an attendant, some schemes were more advanced. For example, by 1920 Farmer and Co. had a house ward situated in the company’s Market-street premises with full provision to deal with minor accidents and ailments. A qualified ‘house sister’ worked under the direction and authority of a ’medical man of standing’ to who cases were referred if requiring special attention - the doctor.
conducted weekly visits of consultation. The company’s Kent-street premises also had first-aid facilities and a direct ‘telephonic communication’ to the house ward for cases of emergency.\textsuperscript{22} David Jones and Co. also recognised the value in providing in-house medical care in this period, providing a small clinic and rest room presided over by a matron.\textsuperscript{23} By 1931, Mauldon found that from the 76 private enterprise establishments with organised welfare plans, ten had medical and dental services. However, it is not possible to determine from these statistics how advanced such services were.\textsuperscript{24}

Despite such examples, it was not until the Second World War that health and accident care received widespread attention in Australian industry. During the war years ‘Safety First’ was promoted by the government as a way of reducing absenteeism, particularly given the increasing level of accidents in the early years of the war. According to the Factory Welfare Board, there had been a serious lag in action to secure the safety of available manpower. The increase in the accident rate alone was alarming and disproportional to the increase in the number of employees. While some increase was allegedly caused by the advent of workers, particularly females, new to industry, there was no evidence that new employees received definite training in safety practices and devices prompting the board to assert: ‘Any complacency as to the continued loss of manpower potential arising from accident must be shattered’.\textsuperscript{25} The board considered a safety campaign necessary to secure the adoption of better safety practices in industry generally.\textsuperscript{26}

The DLNS began distributing ‘Safety First’ articles to various Government factories in all States for inclusion in their company publications at the end of 1943.\textsuperscript{27} The government also released reports on the state of safety in industry in an effort to draw management attention to the need for action. An IWD report on Safety Committees prepared during the war highlighted the ‘backward state’ of safety committees in industry. It claimed that overseas experience had shown that successful and continuous accident prevention could not operate without employee participation. Three types of committees were included in the report: Managerial or Plant Safety Committees, Joint Safety Committees, and Accident Investigation Committees. A description of the functions of each type of committee sought to demonstrate that although the responsibility for a safe plant and machinery, and safe methods of working rested with management, in carrying out this responsibility, management needed the co-operation of the workers. The report was aimed at both management and workers in an attempt to promote safety in industry.\textsuperscript{28}
Similarly, government intervention played an important role in the rise of in-house medical care during this period. Severe nursing labour shortages caused the federal government to increase the regulation of the employment and training provided to industrial nurses through its Manpower Authorities. The NSW Factory Welfare Board also promoted the role of industrial nurses through its publication, the *Accident Prevention Bulletin*. An article in the July 1945 issue stated, ‘The advantages obtainable from an industrial medical and nursing service had been realised by many enlightened managements before the war. Soon after war broke out there was ample confirmation of their views, for with the great influx to factories of workers, many unused to this kind of life, industrial health became a matter of great moment to the nation as well as to the individual’.29 By June 1944, 49 casualty centres with observation wards had been established at 34 different munitions factories. These were staffed 24 hours a day by 148 nursing sisters and six male first aid attendants, and were directed by 18 full-time and seven part-time medical officers. Between July 1942 and June 1945 a total of 1,643,051 medical examinations and treatments were performed on employees in the government munitions factories.30

In addition, a code was devised by the IWD and the Works and Service Branch of the Allied Works Council ‘to provide standards of building practicable in war time for the safety, health and efficiency of employees in Factories.’31 This code, to be adhere to by all Commonwealth Departments concerned with building factories on Commonwealth land or financed from Commonwealth funds, contained stringent requirements in terms of causality rooms and equipment. This subsequently provided the framework for increased attention to medical care in these factories during the post-War period.

A 1959 ISD study of 143 undertakings found that 57 had established a health service prior to 1940, and 86 had introduced one since then. Such services ranged from a full medical staff to basic first aid facilities.32 The post-War period saw the position of the industrial nurse steadily increasing. Discharged members of the Australian Nursing Service were added to an open Register of Nurses available for employment in industry.33

The importance of employee counselling was also elevated during the war years and post-War period. As part of their duties during the war, welfare officers in munitions factories were required to interview employees with personal problems or difficulties, helping ‘maladjusted employees desiring to resign’, and ‘assisting new women employees to adjust themselves to the factory and become contented employees’.34 Problems
pertaining to factors outside the workplace were also a concern of counsellors. A post-War IWD study found common problems associated with transport, housing and accommodation, educational and cultural activities, recreation and vacations, child care and shopping, financial problems, ill-health of the employee or another member of the employee’s family, other domestic problems and legal advice.\textsuperscript{35}

Bradford Cotton reported that while work problems, domestic, marital and health problems were key areas requiring counselling, the difficulties experienced by New Australians predominated during the 1950s. This was not surprising given that a large percentage of the Bradford workforce were immigrants. Indeed, during 1957, 72.4 per cent of the total labour force at the Company’s Footscray Mill were ‘New Australians’ of various nationalities.\textsuperscript{36} Supervisors and Personnel Officers were effective in helping these workers to assimilate. They were ‘frequently consulted about local customs on teenage freedom, or who owns the money earned by a working wife, and such queries which all too clearly emphasise the real problems of abandoning old attitudes and ways to settle into a new environment.’\textsuperscript{37} Given the increase in non-British immigration in the post-War period, these issues would have concerned the employees of a large number of companies in Australia.

While primarily the duty of welfare officers, or at times nurses, the counselling services of industrial chaplains were utilised by some firms in the post-War period. While not wide-spread in Australian industry, factories in the UK and US claimed that where industrial chaplains operated, the service had led to increased worker efficiency. As a result, during the late 1950s, talks began to take place between churchmen, heads of industry and trade unions with the aim of organising an industrial chaplain service in Australia. Until that time, the industrial chaplains in Australia were pioneering clergymen who visited factories to counsel workers on spiritual problems. During the 1950s, the Australian Trade and Industry Mission in Melbourne was established, headed by Reverend Laurie Styles, a trained industrial chaplain brought over from England. By 1962, several factories in Victoria were receiving visits from Styles, and other chaplains, including three Imperial Chemical Industries of Australia and New Zealand (ICIANZ) plants.\textsuperscript{38}

Despite the apparent success overseas, and in a limited number of Australian companies, some Australian employers opposed the idea of industrial chaplains. Their doubts, that industrial chaplains were the answer to employees’ personal problems, were
shared with some churchmen. They argued that, instead of providing chaplains, the churches should be organised locally so as to provide services where factory workers and other members of the community could come for guidance and counselling.\textsuperscript{39}

Safety first also increased in popularity in the private sector during the post-War period. Management viewed safety programs not only as a method of increasing productivity through the reduction of ‘lost time’, but also as a way to improve worker morale. Special safety departments were established in some large companies. Commonwealth Steel introduced safety conferences attended by foremen and representatives of all working sections of the plant. These conferences discussed past accidents, drew attention to unsafe practices and equipment, and promoted the company’s safety policy to workers. At APM and BHP production departments that reduced their accident levels won safety bonuses.\textsuperscript{40} Other companies such as Sulphide Corporation at Cockle Creek held departmental safety competitions.\textsuperscript{41} Safety issues were also advertised through posters, clock-card slogans, pay-envelope slips and house journals.\textsuperscript{42}

In some cases, however, foremen did not support Safety First campaigns, particularly if it challenged their authority. Indeed, despite a campaign at Bradford Cotton during the mid-1950s, the foremen were intent on maintaining their role in controlling the behaviour of workers. Absenteeism resulting from sickness and accidents, or any other reason, was largely considered to be a Departmental problem by the Foremen who preferred to take disciplinary action themselves. They felt that it was their decision to refer specific cases to the Personnel Department where appropriate.\textsuperscript{43}

State intervention in the post-War period began to limit the effectiveness of sickness and accident funds, and medical schemes. By the mid-1960s the majority of awards provided that an employee absent from work on account of illness, or accident arising out of and in the course of employment was entitled to leave of full pay for up to 40 hours of working time each year.\textsuperscript{44} In the case of some large companies, the schemes were so advantageous to the workers that they reduced the importance of these provisions. Indeed, in 1954 the ISD reported that company subsidies had the effect of keeping sick pay provisions out of the industrial awards of the Mt. Lyell Mining & Railway Co. Ltd. and Cadbury-Fry-Pascall (confectionary).\textsuperscript{45} However, for many smaller companies, this was not financially feasible.
Further, the expansion in government social security in this period offered workers an alternative source of income protection. The National Health Service Act 1948 was introduced by the Chifley Government but did not come into operation until December 1949 under the Menzies Government. Partly through regulations under that Act, the Menzies Government during the early 1950s introduced a series of measures as part of a national health scheme, the substance of which were later incorporated in the National Health Act, 1953. Amongst the early measures introduced were a pharmaceutical benefits scheme, and a hospital benefits scheme. The latter abandoned the principle adopted by the Chifley Government in introducing a hospital benefits scheme in 1945, under which each state undertook that treatment would be available in public wards of public hospitals free of cost without a means test, and charges to patients in non-public wards would be subsidised. The Menzies Government, instead, encouraged voluntary provision through hospital benefits funds. This was designed to encourage and reward self-help by the payment of a government subsidy towards benefits obtained under voluntary insurance for medical care. Such a scheme offered workers more freedom and control over their health care than did in-house medical care and/or company-based funds.

In addition, the Commonwealth sickness benefits scheme, which had no parallel in any of the states, came into force in July 1945 under the Unemployment and Sickness Benefits Act 1944. This was ultimately repealed and incorporated in the Social Services Consolidation Act, 1947. Under this Act, sickness benefit was payable to people temporarily incapacitated for work because of sickness or accident. Unlike many overseas schemes, the benefit was to be paid so long as the sickness lasted, and when incapacity through sickness became permanent, an invalid pension could be granted. Amending legislation over the following decades increased the level of, and eligibility for, benefits through sickness and accidents.

This legislation affected the level of payments from sickness and accident funds in the post-War period. A 1958 ISD survey found that contributions to, and benefits from, the funds had remained fairly constant partly because of the social security legislation, and partly because fund managers were reluctant to raise contributions in case they lost members. Overall, the report found that, by keeping benefits in line with the legislation, the effectiveness of sick and accident funds was gradually diminished. While prior to 1940 the benefits received were in most cases equivalent to more than half the then basic wage, by
1957 they were less than one-sixth of the basic wage, and possibly equal to slightly more than one-tenth of the normal take-home pay.\textsuperscript{48}

Thus, developments in social security contributed to a shift in the dependency of the worker from the company to the state. The 1958 survey found that while sick and accident funds were still ‘the most common form of voluntary organisation amongst employees for the purpose of mutual financial assistance’, the general opinion of the executives interviewed was that legislation in this field had dampened attempts to provide industrial schemes for employees. While recognising the small contribution to members’ income during incapacity, these executives indicated that they were not as effective as in the past because of the introduction of paid sick leave, social services benefits, and more generous workers’ compensation laws.\textsuperscript{49}

In summary, health and accident schemes of various forms were an important element of welfarism in Australia. The popularity of such schemes can be largely attributed to the introduction of the state Workmen’s Compensation Acts. However, particularly during the Second World War, many employers recognised the value of preventative schemes in terms of reducing absenteeism and increasing efficiency. The Federal Government played a key role in the dissemination of these ideas and practices during the War. While safety continued as a central focus of employers in the post-War period, state intervention by way of legislation and the arbitration system gradually diminished the effectiveness of company funds during the 1950s and 1960s.

\section*{Labour Supply}

In remote areas, the value of medical benefits in attracting ‘a stable, healthy labour force’ was noted by the companies involved in an ISD study of large Tasmanian establishments in 1954. The Mt. Lyell Mining & Railway Co. commenced operations at Queenstown around the turn of the century and the Electrolytic Zinc Co. established its works at Risdon in 1916. At this time, transport in Tasmania was difficult and the small population of the island was dispersed in small communities. Both companies subsidised the medical facilities of the communities in which they were located indicating a need for a better health care infrastructure in order to attract and retain good workers.\textsuperscript{50} The desire to attract
married workers may also be evident in the medical schemes of these companies. Just as family-friendly recreation was a method of attracting married men, considered by some employers as more reliable workers, good medical facilities were also necessary to achieve this objective. That a number of the directorate of Electrolytic Zinc at Risdon were associated with BHAS at Port Pirie lends weight to this argument (see chapter five).

While the other large Tasmanian establishments limited their medical schemes to employees and their dependents, they were also aware of the need to attract a stable workforce. Associated Pulp & Paper Mills (APPM), for example, commenced operations at Burnie on the North-West Coast of Tasmania in 1938 and by 1946 the employees were enjoying the benefits of a Medical and Hospital Fund, a Sickness and Accident Fund, a Dental Clinic and a Pre-Natal Care Scheme. These schemes offered the employees of APPM, and their families, health security at a cost representing ‘merely a fraction of what he would have to pay in taxation and direct contributions towards a government schemes providing similar benefits’. They were thus a method of attracting and retaining good workers.

The income security provided by sickness and accident funds were also a useful method of attracting and retaining labour in metropolitan areas. Similarly hospital and medical schemes were a recruitment incentive, particularly if they provided for the families of workers. Furthermore, most sickness and accident funds provided for lump sum payments on the death of a member and, in some cases, of members of his/her immediate family. The 1958 ISD survey found that in terms of the former, benefits ranged from around eight pounds to 150 pounds. As Brandes notes, in some cases in the US ‘payments of high death benefits created a feudalistic tie that bound employees to their employers thereby decreasing their mobility and diminishing their bargaining power.’

The eligibility clauses of sickness and accident funds were generally not as effective in reducing labour mobility as those associated with pensions. In a 1958 survey it was found that as a general rule, membership was not restricted for reasons of age, sex or length of service, although it was common practice to require a qualifying period of membership before benefits were payable. During the early twentieth century, the rules of the CSR fund established a qualifying period of three months, while the Mount Lyell Chemical Works benefits only applied to those members of friendly societies who had been in the employ of the company for six months continuously. However, the 1958 survey found
that these periods ranged from two weeks to three months, the majority being four weeks.\(^{57}\) Evidence also indicates that in the majority of cases employees were entitled to a refund of contributions on separation from the company, and in most funds benefits were set at a flat rate per week for employees with the same rate of contribution, regardless of the length of membership.\(^{58}\) While in the case of sickness funds run in conjunction with friendly societies a 1962 report noted that the maximum period of payments increased with length of membership,\(^{59}\) in general these arrangements did not deter employees from leaving the employment of a company in the same way as pension funds.

It was customary for the rules of sickness and accident funds to provide for medical examinations before admittance to membership.\(^{60}\) This acted as an additional way for management to increase control over the quality of their workforce. Membership of the Sickness and Accident Fund of the Associated Pulp and Paper Mills, for example, was subject to medical examinations. Given that membership of the fund was also a condition of employment, management was able to check the general health level of all potential workers prior to employing them.\(^{61}\)

Further, sickness and accident prevention schemes were designed to have a stabilising effect on labour supply by reducing absenteeism due to injury and illness. Colin Fraser, the joint Managing Director of BHAS, noted in September 1917 that a reduction in the number of accidents would not only reduce compensation liability, but also save BHAS in other ways: ‘Reduction in the number of accidents means more than actual savings on Workers’ Compensation, it spells increased efficiency and thus further reduced working costs.’\(^{62}\)

The medical centre of the larger factory, and/or the first-aid room of the smaller establishment was viewed as a primary way of reducing sickness absenteeism and lost time from minor accidents. Indeed, even minor lacerations could develop into serious infections if neglected.\(^{63}\) At an early date, such advantages were recognised by David Jones and Co. In providing a small clinic and rest room with a matron in attendance, the company emphasised the number of labour hours saved through treating the workers on the spot rather than sending them home. Indeed, during 1922, the clinic treated approximately 1500 men, the separate treatments numbering 2400. This was in addition to the ‘girls’ who required treatment.\(^{64}\) The economic value of in-house treatment was also recognised early in the century by Farmer and Co. who considered the rest rooms and clinic ‘the best paying
MacRobertons Ltd. also noted that an employee’s absence from work could frequently be avoided if the means of regular treatment for illness or injury could be provided at the factory including injections, dressings and infra-red treatment. While the administration of the prescribed treatment could only take a few minutes, the absence of a worker attending a hospital or a doctor could involve hours, or possibly the whole day. Thus, in-house medical treatment could stabilise the labour supply by reducing accident related absenteeism.

In summary, health and accident schemes assisted employers in their efforts to improve the quantity and quality of their labour supply in a number of ways. In isolated areas, an adequate medical infrastructure was necessary in order to attract and retain good workers. In populated areas, the various funds covering sickness, accident, and/or medical care also helped in the attraction and retention of labour due to the income and health security that they offered, and the provisions for dependents in the case of the death of the worker. Pre-employment medical examinations also assisted management in their attempts to hire quality labour. Further, accident prevention schemes were designed to have a stabilising effect of labour supply by reducing injury related absenteeism.

Managerial Prerogative

Health and accident care could reinforce managerial control over the work force in a number of ways. One way this was achieved was by the prevention of malingering. Absenteeism was not always the result of illness or injury. Indeed, false claims of illness or injury were often an attempt by workers to claim some control over the way their work effort was managed, that is, it was a manifestation of industrial conflict and worker resistance. However, the avenue for malingering was limited by the provision of in-house medical care. At Bradford Cotton in the 1950s, following an accident employees were sent to the Mill Doctor who was always informed whether light duties could be made available. As a result, many workers who would otherwise have gone home returned to work. Further, the Mill Doctor could check on the bona fide nature of the injury. Any employee reporting an injury to their own doctor without having first reported to the Medical Centre or their Foreman ran the risk of dismissal. As noted by the company, ‘Despite the difficulties of the
Act [Victoria Workers Compensation Act] and the feeling by employees that Compensation should be an unquestioned right, such measures proved more successful than may even have been hoped. Thus, the company doctor reduced the opportunity for workers to use a report from their own doctor in a compensation claim. In turn, worker attempts to falsify an injury or overstate its severity with the aim of leave on workers compensation was curtailed.

Home visits could also be an effective method of controlling malingering. Indeed, in some companies, such as Farmer and Co., the house sister would visit sick employees, giving her the opportunity to check on the validity of the illness or injury. Bradford Cotton also utilised home visits as a method of reducing absenteeism. The 1958 survey of sickness and accident funds found that the majority of funds had rules that specifically restricted the activities of members while in receipt of benefits and that enforced penalties for infringement. Restrictions referred to activities such as travelling, intemperance, attendance at sporting functions, and in most cases the recipient was to be at his/her usual place of residence between specified evening hours. The penalties ranged from fines to loss of benefit and, in certain circumstances, expulsion from membership. In the majority of cases the 1958 survey found that the Committee of Management periodically visited recipients of benefits ‘to show interest in their welfare’. As the reporter stated, ‘this incidentally provides a check on the validity of the member’s claim’. Thus, even the possibility of a visit would give pause to would-be malingers.

While preventative health and accident schemes could assist in the control of malingering, they could also prevent it in the first instance by improving morale and thus the willingness of employees to consent to managerial authority. Safety programs were a method of improving morale since workers were more confident that their personal safety was not at risk. In many companies, the confidence given to employees that modern facilities were available on the spot for the prompt treatment of accidents, and the knowledge that minor sickness would be efficiently treated, also had a positive effect on improving employee morale.

The provision of a counselling service could also reduce worker discontent and resistance to managerial authority at the workplace. The counselling duties of nurses and welfare officers during the War often entailed listening to work-related grievances and relieving pent-up frustrations. Indeed, a post-War study of employees’ problems in sixty-
one company conducted by the IWD, found that 50.8 per cent of employee problems were work-related.\textsuperscript{73} Thus, employers could determine the causes of discontent and alleviate them through management action before they led to conflict or union involvement. Further, employers demonstrated their friendly concern for their workers by providing a counselling service, and expected a similar attitude in return. In effect the counsellor became a substitute for the personal employer/employee relationship that typified the smaller firms of the nineteenth century.

As Brandes notes, the ‘hand of friendship’ was extended even further when the particular problem was unrelated to work.\textsuperscript{74} Indeed, the IWD study found that 49.2 per cent of employee problems were associated with factors outside the factory. The welfare or personnel officers involved in this study regularly assisted these employees by offering advice, dealing with the problem personally or referring the worker to outside agencies.\textsuperscript{75} At Bradford Cotton, when personal performance or development was under review, considerable emphasis was placed on helping the employees to be aware of their own problems and to plan their own development using resources inside and outside the company. As noted by the personnel officer, ‘counselling aimed at helping people cope with specific personal problems is more effective than trying to help people develop more effective patterns of behaviour’.\textsuperscript{76} While there were facilities in each company location for employee counselling, referral was often made to outside agencies such as Government Departments, church groups and ministers of religion, marriage guidance and family counselling agencies, doctors, public hospitals and psychiatric clinics. Employees were granted leave to attend such agencies if necessary during working hours.\textsuperscript{77}

In support of the company’s decision to accept and encourage visits from an industrial chaplain in 1954, the mill manager at Holeproof commented: ‘We are very conscious of the fact that a happy employee is a good employee and whilst not desiring to interfere in personal affairs we were pleased to make available to the employees this service which could help them with difficulties arising outside working hours and so contribute to their general well-being and happiness.’\textsuperscript{78} Fostering contentment and reducing absenteeism were valuable results from offering counselling on both work and non-work issues. However, above all, by helping with outside problems, employers were demonstrating their concern for workers lives beyond the workplace. As Brandes states, ‘Friendliness is a two-
way street; the employer who was willing to extend himself in the interest of his employees expected a friendly demeanour in return.79

The safety first campaigns of companies were also designed to demonstrate management concern for the workers. Indeed, in 1916 NSW Railway management praised the movement as having ‘a great influence on a man’s welfare’, which would remove industrial unrest in the railway workshops and improve output.80 Thus, it was expected that workers would reciprocate with concern for the efficiency of the organisation.

These campaigns could also enhance employer-employee relations by improving communication between workers and senior management. Indeed, the campaign of the NSW Government Railways involved the establishment of local committees, consisting of two employees who consulted with the senior local officer over safety first matters and forwarded their minutes to the Safety First Committee through the branch head. This bypassed the management hierarchy and gave workers a sense that senior management was interested in their concerns and suggestions. Indeed, junior management resented this process, a Signal Engineer complaining that it fostered a ‘spirit of secretiveness’.81 Thus, not only did the local committees encourage employees to co-operate with the goals of senior management, it also provided an avenue to check on the behaviour of junior management, further reinforcing the employer’s control over the labour process.

In demonstrating employer concern for, and interest in, employees, safety first campaigns sought to foster the co-operation of workers in all areas of labour management. However, they specifically promoted the employer’s goal of accident reduction. These campaigns combined a direct approach to safety with more subtle attempts to mould worker attitudes towards accident prevention. Indeed, not only were campaigns focused towards workers, by publicising the issue of safety, management aimed to include the workers’ families in their attempts to minimise accidents.

As part of a ‘Safety Day’ in March 1958, Bradford Cotton organised a children’s Poster Competition as a method of stimulating the interest of workers families in safety matters.82 The NSW Government Railways promoted accident prevention to the families of workers through its publications. In January 1924 a new journal was initiated by the Commissioners entitled The Staff which incorporated all existing publications including Safety First. Each issue of The Staff included a page devoted to safety first in an effort to ‘draw attention to risks incidental to railway an tramway employment, and publish advice
generally regarding the preservation of life and health’. This inclusion was clearly designed to give the movement wider publicity - ‘Wives and children are as interested in “father’s” safety as he is’, it was explained in the first issue of The Staff. ‘Whatever happens to him happens to them. Those at home will now have an opportunity of seeing what is being done by the Commissioners in this branch of welfare work’. Incidentally, since The Staff was distributed to wider society, this was also an attempt to demonstrate the efforts of the Railway Commissioners to the public, thereby cultivating favourable public relations.

If workers families were aware of safety first, it was expected that they would reinforce the campaign’s message. As explained by the editor of The Staff, ‘In many households, a word from mother goes a long way. If the wives will do what they can to see that the teachings of safety first are carried out by husbands and children, there will be a happier state of affairs for many’. Then, under subheading ‘For Men Only’ the editor continues; ‘In future many wives are going to read this page, and lots of them will want to know whether you are a Safety First man, or a chance taker- a home-wrecker – an orphan-maker. Are you going to tell the truth about it?’ This added a moral dimension to the idea of safety first – workers were morally bound to work in a safe manner, not only for organisational efficiency, for the sake of their own families and those of fellow workers.

Indeed, the pages of Safety First and later The Staff indicate that while management had adopted a more proactive approach to the reduction in accidents, the general attitude as to the cause of such mishaps remained unchanged. The blame was still place squarely on the shoulders of the workers themselves. For example, a hypothetical scenario of the death of “Bill Jones” was published in the first issue of The Staff. It read in part; ‘But, what are the odds that Bill Jones was only doing what you and scores of his mates were, and are, doing – disregarding the safety rules…Had the wheel of fate gone another notch, Bill Jones might have gone home that night to tell his wife of your death, and your wife might have spent the rest of her life lamenting the loss of her husband, because, even incorrigible chance-takers are mourned by their dependents.’ And in a later issue; ‘What could be more appalling to the family of a railway or tramway man than news that he has been killed or seriously injured? Yet it comes, and too often is the result of an avoidable accident – one due to the thoughtlessness of the victim or to the carelessness of someone else.’
Thus, the common law exemptions that favoured employers in earlier years - ‘the doctrine of common employment’, ‘the doctrine of contributory negligence’, and the principle of ‘volenti non fit injuria’ - continued to be promoted by railway management. According to the pages of Safety First, accidents were generally caused through worker disobedience of safety rules, not from the nature of the work itself. By associating accidents with employee negligence, management aimed to engender workers with the need to accept managerial authority over safety issues. Further, if workers could be convinced that their work environment was not to blame for accidents there would be no need to involve unions in safety matters.

Sickness, accident and medical funds, apart from demonstrating employer concern for the workers, also built worker ‘consent’ to managerial control by creating a situation of dependence on the company. Employers assumed that workers who belonged to a company’s insurance plan for accident and illness would identify their own and their families interests with those of the firm and not risk their stake in its success by asking for higher wages, going on strike, or even joining a union.88

The ability to foster worker dependence on the company was enhanced in isolated areas, particularly when the medical facilities of the community were subsidised by the company. Mt. Lyell Mining & Railway Co. in Queenstown, Tasmania, for example, subsidised a wide variety of medical activities for its employees and the wider community. These included the Queenstown Medical Union, and its subsidiary, the Queenstown Medical Union Hospital Benefits Fund, as well as a Dental Clinic. In addition, the company operated a Sickness and Accident Fund and a Death Benefit Scheme for employees. Most of these benefits had been introduced by 1920.89

The Company’s medical activities originated from the anti-union agenda of the mining companies at Mt. Lyell around the turn of the century. The first trade union was formed on the Mt. Lyell copper fields in 1896 and functioned mainly as a friendly society which, in return for small contributions, provided benefits to injured or striking members and to the dependants of members who died. The local community as well as the miners were eligible for membership and the strength of the union grew rapidly. In order to counter the efforts of the union, the mining companies of Mt. Lyell fostered three opposition medical unions, particularly by clerical and administrative assistance, ‘and the combined membership of these medical unions completely dwarfed the membership of the union’. 205
The Queenstown Medical Union eventually absorbed the other two similar bodies and was still in operation in 1954.\textsuperscript{90}

The mining companies were therefore successful in undermining trade union attempts to secure worker loyalties and enhanced employee dependence on the company. On reporting on the Mt Lyell Mining & Co. scheme, the IWD noted, ‘The company is the mainstay of the town and whatever concerns the one concerns the other.’\textsuperscript{91} Indeed, for the wider community, as for the workers, their standard of health and medical care was largely dependent on grants and subsidies from the company. Thus, company-sponsored medical facilities, along with other community-focussed welfare schemes, enhanced the quality of life for those who lived in single-industry or remote towns, and could therefore assist in improving management relations with employees and the public. However, it also reinforced the company’s dominance and could make it more difficult for workers to challenge the unilateral decisions of management.\textsuperscript{92}

In summary, all types of health and accident schemes were designed to demonstrate management concern for the workers and to foster reciprocal concern for the welfare of the company. In-house medical care could directly control malingering, and also reduce it by boosting morale and fostering worker consent to managerial authority. Similarly, safety first campaigns represent both a direct and subtle attempt to mould worker attitudes in respect to accidents and broader managerial objectives. Sickness, accident and medical schemes also built worker ‘consent’ to managerial goals by creating employee dependence on the company for the financial and health security of themselves and their families. This dependence was reinforced by the dominance of companies over community health in remote areas.

**Characteristics of Schemes**

**Contributions to and Administration of Funds**

The arrangements governing contributions to and administration of the funds varied considerably between companies. Some sickness and accident funds such as that of the British Tobacco Co. and Mount Lyell Chemical Works during the early decades of the century worked in conjunction with friendly societies.\textsuperscript{93} The latter’s benefits included
weekly allowance in cases of sickness or accident, medical attention and medicine for members and families, and death allowances in accordance with friendly society rules. To encourage employees to join friendly societies, the company refunded ten-pence for each weekly subscription paid by a member.94 In this way, employers shared the cost and administration with the friendly society.

Some companies provided directly in the case of sickness or accident. At Griffiths Bros’, for example, the directors established and regularly supplemented a fund by their own personal contributions. Wages were paid in full to any employee of over three months’ service absent through sickness and who provided a medical certificate. If absent through injury, wages were paid in full, the company receiving half of the amount from the insurance company under Workers’ Compensation Insurance. If the employee was not insurable under the Act, the whole of his wages were paid by the company. Similarly, Vacuum Oil gave up to a month’s full pay during sickness to all permanent employees, in some cases allowing sick pay for six months.95

However, the majority of the funds included in the ACSI’s 1920 survey received contributions from both the company and the employees. Others companies such as Messrs. Simpson’s & Sons, Hardware Manufacturers of Adelaide, contributed only by guaranteeing the firm against loss. In the post-War period this arrangement was an increasing trend. A 1957 survey found that, as a general rule companies did not contribute to the funds, although in some instances promises had been made when the fund was established that the undertaking would provide financial assistance if it became seriously depleted. As a Canadian company president argued, workers would be less likely to malingering when sick benefits were being paid by their fellow employees rather than by the employer.96

The fact that many employers did not contribute to sickness and accident funds in the post-War is reflected in the administrative arrangements common in this period. A 1957 survey found that management’s participation in the administration of the funds was generally limited to arranging for employees’ subscriptions to be deducted from wages and checking medical certificates in certain cases.97 While the Sick and Accident Fund of the Australian National Airways was sponsored by the Company, it was entirely controlled and operated by a Committee selected from members.98 However, in general, if companies contributed to the funds they also retained control over the administration of benefits.
In many of these cases, the sickness and accident funds were managed by a joint committee of employees and company representatives. Such co-operative arrangements were a feature of the Sickness and Accident Funds of BHAS at Port Pirie and the Mt. Lyell Mining and Railway Co, and of the Sick Benefit and Dental Scheme of Cadbury-Fry-Pascall. The Employees’ Mutual Benefit Society of Patons & Baldwins (Aust) consisted of six male and six female employee representatives, and six company nominees. This society administered a dental scheme, an eye benefit fund, and a hospital fund. The company subsidised the contributions of employees to these funds on a pound for pound basis. The British parent companies of both Patons & Baldwin and Cadbury-Fry-Pascall were also well known for their welfare schemes, indicating the role of foreign manufacturers in importing welfare schemes to Australia.

The Medical and Hospital, Sickness and Accident Funds, the Dental Clinic and the Pre-Natal Care Scheme of APPM were conducted by a council consisting of 15 representatives of employees and four senior staff members nominated by the company. The APPM Council administered the overall welfare program of the company, but did not deal with matters of wage fixation and working conditions. According to an ISD researcher, such committees and councils brought representatives of management and employees together and were said to have a ‘strong healthy influence on industrial relations’. In general, they offered workers a sense of participation without significantly altering managerial prerogative.

Employers had this objective in mind when designing schemes to include a union voice. In proposing the BHAS Accident Fund at Port Pirie in 1917, for example, the company suggested the formation of a Board of Trustees to be composed of three representatives nominated by the company, and eight representatives to be elected by the eight unions in the works. Further, it was suggested by the company that no employee should be accepted as a member of the fund unless he joined the union of his calling. Given that the proposal was presented in a period of high industrial tension, the company aimed to improve relations with the unions by inviting their participation and offering a degree of consultation.

Eklund notes that while these committees and councils represented a ‘façade of consultation’, at times they offered unions the opportunity to gain a considerable amount of information and influence. Indeed, in 1924 the General Superintendent of BHAS at Port
Pirie expressed concern over the amount of information the Sickness and Accident Fund provided unions regarding the company’s accident and industrial sickness experience. He was prepared to make the scheme more favourable to workers if the Co-operative Council (which included union representatives) would give the company the power to decide the contribution rate in the future. This proposal was rejected in a Council vote. Nevertheless, BHAS, like other companies, generally organised the committee system to control and limit the level of worker/union involvement in industrial issues.106

**Formality of Safety Schemes**

Safety became an important component of welfarism in Australian industry during the post-War period. A 1952 IWD survey sought information on the proportion of factories that recorded accident information in excess of the minimum required for formal compensation purposes, that delegated oversight of safety organisation to a specific person, and that had safety committees to assist in promoting safety measures.107 The findings are illustrated in table 7.1.

### Table 7.1

<table>
<thead>
<tr>
<th>Safety Organisation</th>
<th>1-49 employees (16 factories)</th>
<th>50-249 employees (53 factories)</th>
<th>250-999 employees (22 factories)</th>
<th>1,000 employees and over (26 factories)</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>Accident records (beyond those necessary for compensation payments)</em></td>
<td>19%</td>
<td>21%</td>
<td>55%</td>
<td>85%</td>
</tr>
<tr>
<td><em>Safety duties allotted to a named officer</em></td>
<td>-</td>
<td>8%</td>
<td>36%</td>
<td>81%</td>
</tr>
<tr>
<td><em>Safety Committee(s)</em></td>
<td>-</td>
<td>33%</td>
<td>56%</td>
<td>60%</td>
</tr>
</tbody>
</table>
These findings show the significance of organisational size in the introduction of formal safety practices and procedures. Safety was found to be better organised in small factories that were branches or parts of large undertakings than in independent factories of similar size indicating that attitudes towards safety were influenced by the policy of the central management. While the absence of formal safety organisation does not necessarily imply a corresponding lack of appreciation of the need for safety measures, the impression gained by the IWD researchers during discussion with executives in many of the smaller establishments was that no special steps were felt necessary to keep accidents at a minimum. These executives claimed that in the normal course of their duties they ensured that work was done with reasonable care, and that foremen were expected to see to this as well. Thus, in many small firms, simple control remained the dominant strategy in terms of safety.

In the larger factories there was a tendency, increasing with the size of the factory, for safety activities to be co-ordinated by a specifically designated officer. Safety committees were also common. Two types of committee were noted, those consisting of staff members only and those including rank-and-file employees. The simplest form of committee was the regular meeting of staff members to discuss production and safety. Indeed, in the factories employing under 1,000 workers, more than half of the committees were organised along these lines. Another form was organised as a sub-committee of the works council. In the largest factories there were generally safety committees with employee members in every department. However, while this survey indicates that safety was emphasised by many factories, particularly the larger ones, given the predominance of small factories in Australia, and assuming that they contributed proportionally to the national accident figure, the safety movement was not as impressive in the post-War period as may first appear.

**Type and Formality of In-house Medical Care**

In-house medical and health care varied in terms of the type of care provided. In some, usually smaller, companies, it could encompass no more than a first aid room, sometimes
with an attendant. In other cases, companies introduced elaborate schemes including full hospital facilities.

Some companies began with a simple approach to in-house medical care and gradually developed more elaborate programmes. With commencement of production at the Goodyear Tyre and Rubber Co. plant in Granville during October 1927, first aid facilities were provided by trained and qualified employees, as well as a trained nursing sister. In the following years, the capacity of the first aid room was gradually increased both in size and equipment, and more qualified nursing sisters were added to the staff until the first aid room became a factory hospital. Pre-employment examinations were undertaken, and apart from first aid, minor surgical operations were conducted. From 1935 onwards, the company retained a fully qualified doctor, with the exception of the war years when the services of medical officers were in great demand. By 1952, the company had built a new hospital, complete with X-ray equipment and plans for a cardiograph.\textsuperscript{110}

As noted in the overview, in-house medical care became more common during the War and post-War period. MacRobertsons, manufacturers of confectionery in Victoria, for example, constructed a new medical centre in the post-War period. The centre included two rest rooms, one for male and one for female employees, a waiting room, a surgery, and doctor’s office and a sister’s office. A fully-qualified nursing sister was in charge, while a medical officer attended the centre twice weekly for regular consultations and also when required for urgent cases.\textsuperscript{111}

However, while these examples show the extent some companies went to in terms of medical and health care in the post-War period, many employers could not afford such elaborate schemes and/or did not have a sufficiently large enough workforce to justify their introduction. Table 7.2 shows the breakdown of the personnel engaged in Health Services in 214 undertakings included in a 1959 survey.
Table 7.2

Personnel Engaged in Industrial Health Services, 1959

<table>
<thead>
<tr>
<th>Types of Personnel</th>
<th>Number of Personnel</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical officers employed full-time</td>
<td>12</td>
</tr>
<tr>
<td>Visiting industrial medical practitioners</td>
<td>9</td>
</tr>
<tr>
<td>Visiting general medical practitioners</td>
<td>71</td>
</tr>
<tr>
<td>Industrial nurses</td>
<td>241</td>
</tr>
<tr>
<td>First-aid attendants</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td>341</td>
</tr>
</tbody>
</table>


The study found that 114 had one or more full-time industrial nurses, but no regular service by a medical officer. Ten undertakings employed full-time medical officers, nine of which employed one each and one employing three. Medical officers employed by two undertakings with branches in other States paid periodical interstate visits to supervise health services in the branches. Fourteen undertakings had arrangements for regular visits by a medical practitioner specialising full-time in industrial medicine while 74 were visited regularly by a general medical practitioner. Only two companies had a full-time first-aid attendant, but no medical or nursing services. With few exceptions all those with the full or part-time services of medical officers also employed industrial nurses. As a result, of the 214 undertakings covered by the survey, only five did not employ a nurse, revealing the extent to which nursing sisters were employed in industry.¹¹²

Treatment varied according to the qualifications of medical personnel employed and facilities available. The undertakings employing medical officers either on a full-time or part-time basis provided treatment for injuries and illness comparable with that provided in a general practitioners surgery. In these cases the industrial nurse usually treated minor injuries, referring the more serious cases to the medical officer, although patients were free to consult their own private doctor if they wished. Treatment in the undertakings not
employing medical officers was generally confined to such first-aid measures as dressing cuts, lacerations, sprains and the like, and providing medicine and rest for minor illnesses.  

Many small undertakings could not afford to provide in-house medical care beyond basic first-aid. In some cases this was overcome by the establishment of group services which aimed to provide a full-time medical service for a large number of undertakings, many of which could not otherwise have had one. A 1959 study examined one such group service established in 1946 in a highly industrialised locality of one of Australia’s capital cities. Workers’ compensation cases, illness at work, inoculation, and pre-employment and pre-placement medical examinations were the main areas of service covered. The service was staffed by three full-time doctors and a nurse, and the building consisted of a surgery, X-ray room, two treatment rooms, office accommodation and storage space for records. X-ray, short-wave diathermy, infra-red, ultra-violet and ultra-sonic were among the treatments provided. Fifty-three undertakings ranging in size from 3 to 800 employees were covered by the service. Eighty one per cent of the undertakings had 100 employees or less and 42 per cent had 50 or less. In the case of accidents or illness at work, an emergency service was provided. In addition, the larger undertakings were visited two or three times a week, others once a week and again others less often. Such arrangements depended on the needs of the undertakings and their size. Only four of the undertakings had a full-time nurse, and two had full-time first-aid attendants. It was claimed that, by having at least one doctor always on hand at the centre during working hours, very small firms could get the same prompt attention and care as that provided by large firms employing a full-time doctor.  

Labour Response  

Some trade unions accepted sickness, accident and medical funds as a benefit to their members. Indeed, the unions covering the Cadbury-Fry-Pascall Pty. Ltd. workforce in Hobart elected to retain the Sick Benefit and Dental Scheme operating at the works in lieu of a scheme in their award for sick leave for a specified number of days. Similarly, in 1954, the industrial awards covering the workers of the Mt. Lyell Mining and Railway Co. remained free of clauses relating to sick pay. The benefits which employees received from
the usual award provisions were completely outweighed by those provided through the various community funds, all of which were heavily subsidised by the company. 116

In other cases, suspicion led unions and workers to reject company proposals for sick and accident funds. As noted in chapter four of this thesis, an 1889 proposal for a Pension and Provident Fund to cover sickness, accident, and old age for the employees of the NSW Government Railways was rejected by organised labour. The Unions accused the enterprise of attempting to evade the recently introduced Employers’ Liability Act in NSW since the right to sue under the Act was removed with the introduction of such a Fund. 117

Similarly, union officials initially rejected an Accident Fund proposed by BHAS at Port Pirie in 1917. While welcomed by the majority of unionists (315 for and 198 against), this proposal was resisted by the local unions despite the invitation for union involvement in the scheme. The year 1917 was a period of heightened industrial tension in Australia, culminating in a general strike. Given this context, the proposal of a scheme, for the benefit of the workers, and encouraging the involvement of their representatives, caused suspicion on the part of unions. Ultimately, with one exception, every union turned down the company’s proposal. Nevertheless, after eight months and many discussions the scheme was adopted and, by 1920, 1,600 men had joined up. 118

While there is little evidence of shop-floor resistance to safety first campaigns, worker interest ultimately determined the success of these campaigns in reducing accidents. The NSW Government Railway employees responded with enthusiasm and interest to Safety First drives, and this was reflected in the reduced accident rate. In the case of Bradford Cotton, it was the disciplinary role of the foremen rather than safety campaigns that proved the most effective tool in combating the high and increasing accident rate at its Footscray Mill during the late 1950s. 119 In 1956 the company appointed a Safety Officer and formed an Accident Prevention Committee. To stimulate worker interest, a Safety Week was held in April 1957 during which Safety handbooks were distributed, films were shown, posters and Safety calendars adorned the walls, and a Safety Slogan competition was organised. While response and interest in the activities was good, soon afterwards the Accident rate rose steeply.

Foremen were consequently instructed, encouraged and assisted to develop ‘forceful Accident Prevention’ campaigns in their own departments. In each department, foremen gave their operators individual instruction on Safety rules and safe working practices and
warned them of penalties or disciplinary action following infringement of rules. At the same time, the Personnel Department and Medical Centre investigated accidents more thoroughly, co-operation was sought from local doctors and the Clinic, and Compensation procedures were considerably tightened. While the company held another Safety day in March 1958, it was the efforts of the foremen that reportedly gained results in terms of accident reduction. Thus, as often the case in the pre-War years, it was the strict, disciplinary approach of foremen that resulted in workforce control, not the company’s safety campaign.

Some trade unions were critical of safety first campaigns. Despite initially being sympathetic towards the safety first movement in the NSW Government Railways, during the 1917 General Strike the ARTSA accused the movement of breaking union power by establishing committees of ‘good’ and ‘loyal’ men throughout the NSW Railways. In addition, in 1915 the LEDFCA protested at the inconsistency of the safety first movement and management’s safety practices.\textsuperscript{120} Such inconsistencies continued to be the basis of union criticisms during the 1920s. The NSW ARU, for example, criticised railway management for practising ‘safety last’ by not protecting employees in high-risk occupations, such as shunters, for financial reasons. It also criticised management for reducing accident pay and compensation by citing non-observance of Safety First regulations. On the shop-floor, some workers were also suspicious, refusing to participate in both the Ambulance Corps and the safety first movement, claiming that they were designed to avoid compensation payments.\textsuperscript{121} Despite such concerns however, the unions were forced to reject a boycott since a significant number of railway workers supported the movement.\textsuperscript{122}

Union and worker suspicion was at times raised over company plans for in-house medical care and counselling. For example, BHAS’s plans for a dental clinic and the provision of free yearly check ups for employees at Port Pirie provoked an immediate and critical reaction from some local workers. At a ballot organised by the Australian Workers’ Union only 83 members voted for the yearly medical examinations, while 384 voted against the proposal. Even the Federated Engine Drivers’ and Firemen’s Association (FEDFA), a more conservative union, moved that a Government inspector be appointed at Port Pirie so that independent and unbiased advice could be sought. Unionists perceived a hidden agenda behind the company’s apparent benevolence. A handbill issued by the AWU
organiser and Port Pirie Councillor, Robinette, noted that: ‘The first symptoms of lead poisoning are shown in the mouth and by submitting yourself to dental examination on the Works, you may give the Company knowledge of your condition and possibly bring about your dismissal in a surreptitious manner without receiving any compensation’. Nevertheless, by March 1928 the Dental Clinic at Port Pirie had 778 members and there had been 1181 visits to the Clinic over the prior year.¹²³

The role of the industrial nurse was not generally met with enthusiasm from male shop-floor workers. Nurses were automatically associated with management since, as part of their duties, they played a role in the selection of recruits and in cases of dismissal and transfers.¹²⁴ Taksa’s research on the experience of industrial nurses at the Eveleigh Railway workshops demonstrates that, while they may have aimed to become ‘friends’ with the workers, in one nurse’s words, ‘going to work’ at Eveleigh ‘was like going to war.’¹²⁵ The employment of industrial nurses in April 1946 challenged the skills the men had acquired through the training, exams and competitions associated with the Ambulance Corps. Indeed, the popularity of the Corps had increased during the War years, with membership rising from 21,300 in 1938-39 to 28,000 in 1943-44.¹²⁶ Furthermore, the introduction of nurses effectively closed off an avenue for promotion for those who wanted to advance to the salaried position of full-time first-aid officer, creating resentment and animosity among the workers toward the nurses. This situation was compounded by the fact that male workers were too embarrassed to discuss ‘personal problems’, including ‘haemorrhoids or piles’ with ‘a female nursing sister’.¹²⁷ Indeed, hostility was created since industrial nurses challenged the traditional ideology of men as protectors and women as in need of protection, that is, the nurses authority over their male patients reversed traditional gendered power relations. Where nurses were authorised to intervene in terms of medical check-ups, they prevented the male patients from denying their vulnerability, exposing weaknesses in men’s bodies in ways that undermined their masculinity.¹²⁸

Some unions were suspicious of the introduction of counsellors at work. In 1957, the Australian Council of Trade Unions (ACTU) Executive rejected a proposal by the Congregational Union of Victoria that industrial chaplains be employed on a broad scale in large firms. Not only did unions regard the proposal as an unnecessary intervention in the personal lives of workers, they were also suspicious of the motives behind an employer’s introduction of such counselling.¹³⁰ Indeed, according to a management journal,
industrial chaplain, above all else, had to ‘walk a road between all three [management, workers and trade unions] and thus remain above suspicion that he was a pawn of any one of them.\textsuperscript{131} This was particularly the case, as occurred at Holeproof, if the chaplain visited workers in their own homes.

Despite union suspicion of counselling, during the Second World War many workers new to factory work appreciated having someone they could talk to. For instance, workers openly co-operated with welfare officers’ investigations into the causes of absenteeism. As one former welfare officer recalled:

\begin{quote}
I thought the best way to tackle this was to go out and talk to the people who weren’t coming to work. And so I started a series of quite intensive home visiting, and found that the people were quite willing to talk about it. They had been sent by Manpower to the textile mill, some of them hated the noise, some of them hated the fluff, but chiefly they were lost because there was no-one to take care of them.\textsuperscript{132}
\end{quote}

Indeed, worker acceptance of the counselling role of welfare officers could at times present problems for the company. In one organisation, the welfare officer ‘mothered’ the female section of the works, gave them good advice, visited their homes and was a guide, counsellor and friend, ultimately reducing labour turnover through her efforts. However, while she won the ‘girls’ over, her actions created antagonism between herself and the foremen. Indeed, her concern for the employees led her to try and convince the manager that two foremen were not capable, in turn suggesting to the employees that they were not being treated fairly. Ultimately, after a breakdown in her health, the counselling role of the welfare officer was spread between the manager and the two foremen, relegating her to routine personnel work.\textsuperscript{133}

In another situation, the male welfare officer of a Victorian company, achieved such a degree of personnel success with the employees that, when the decision was made to dismiss him for particular reasons, the workers of one of the departments threatened to walk out in protest.\textsuperscript{134} Further evidence suggests that employees sometimes manipulated the role of the welfare officer to their own benefit. In one situation, employees were initially intrigued by the novelty of someone to confide in and came to the welfare officer with their personal troubles. Gradually the employees discovered that she was extremely gullible and had very little experience in dealing with human nature. She became ‘a school
for scandal and petty gossip’ as employees wasted time reciting minor grievances and playing on her amateur psychological techniques. Ultimately, working time was lost and complaints were made which should never have been encouraged but eradicated in the beginning.\textsuperscript{135}

Thus, while some workers treated the role of the welfare officer with apathy and suspicion, in other cases he/she became an avenue for additional labour problems. In several cases, he or she became ‘the good fairy of the establishment protecting the employees from the alleged unreasonableness, indifference and apathy of the foremen and the “boss”’.\textsuperscript{136} In rapidly expanding companies with a first class welfare or personnel officer and all kinds of amenities, comments such as ‘The Boss is a big shot now… He’s too busy making money to bother about us…The boss doesn’t care tuppence for us’ were reportedly fairly common.\textsuperscript{137} Thus, while one goal of the welfare officer was the bridging of the gap between the employer and the workforce, sometimes the gap could be widened as a result of their introduction.

Conclusion

Health and Accident schemes were an important element of company welfare schemes during the period of study. Evidence suggests that the primary motivation behind the introduction of these schemes was the legislative initiatives of Australian governments in the area of workers compensation. However, companies also aimed to increase the quantity and quality of labour supply, and reinforce managerial prerogative through the operation of such schemes. While safety schemes and in-house medical care increased in popularity during the War and post-War period, the formality and extent of such schemes generally increased with workplace size. In the vast majority of small firms, the simple, personal control of the manager or foreman prevailed as the key method of controlling accident rates. Further, while sickness and accident funds were a common form of welfare, developments in government legislation and industrial award provision in the post-War period began to limit their effectiveness. Overall, the majority of Australian companies did not introduce health and accident schemes beyond what was required by industrial awards and legislation during the period of welfarism.
The term ‘counselling’ was commonly used in Australia to describe the social work activities of companies. It did not denote the psychotherapeutic technique of ‘employee counselling’ which was receiving attention in the US during the 1940s, ‘A Study of Employee Problems’, IWD report, AA, Series SP 146/1, item 575/3/18 Part II.


5 Patmore, A History of Industrial Relations in the NSW Government Railways, pp.21 & 99.


7 Creighton & Stewart, Labour Law, p.272.

8 The introduction of the South Australian Workman’s Compensation Act in 1910, later amended in 1916, provided a mechanism to render negligent employers liable for compensation of up to 300 pounds in the event of death. According to BHAS, the fund was proposed in 1917 because under the Workmen’s Compensation Act of South Australia, an employer was compelled to pay an injured worker one pound per week, an amount which was considered inadequate. The company proposed a fund based on pound for pound contributions from the company and the employees to supplement the legal payment. In the event of the worker dying, his relations would receive up to one hundred pounds from the fund as well as the compensation provided by the law. ACSI, Industrial Co-operation in Australia, p.9.


12 Patmore, A History of Industrial Relations in the NSW Government Railways, pp.311-312.

13 ibid, pp.311-312.

14 Safety First, September 1923.

15 Safety First, September 1922; September 1923; Patmore, A History of Industrial Relations in the NSW Government Railways, p.398.

16 ACSI, Industrial Co-operation in Australia, p.20.

17 ibid, p.35.

18 ibid, p.53.


21 ibid, p.304.

22 ACSI, Industrial Co-operation in Australia, p.30.

23 NBAC/ANU, Tooth & Co., N20/2292, Re. Welfare Scheme.


26 ibid, p.3.


NBAC/ANU, N20/2292, Tooth & Co., ‘Re. Welfare Scheme’.


Anon, ‘MacRobertson’s Medical Centre’, p.389.


Brandes, American Welfare Capitalism, p.113.


ibid, p.29.

Anon, ‘Meet an Industrial Chaplain’, AF, 1 July 1959, p.6.

Brandes, American Welfare Capitalism, p.115.

Patmore, A History of Industrial Relations in the NSW Government Railways, p.312.

ibid, p.312.


The Staff, Jan 1924, p.51

ibid, p.51

ibid, p.51

ibid, p.51

The Staff, March 1924.

T. Kemp, The Climax of Capitalism’, p.34.


ibid, pp.42-43.

ibid, p.37 & 39.

Noted in the Canadian context by McCallum, ‘Corporate Welfarism in Canada’, p.49. The medical provisions were part of the wider welfare program of the Mt Lyell Mining and Railway Co. designed to harmonise industrial relations. Other schemes included cheap housing, clubs and libraries, holiday cottages, cheap firewood and electricity, and company stores. For a discussion on this program, see G. Blainey, The Peaks of Lyell, St. David’s Park Publishing, Hobart, 1993, pp.224-226.

ACSI, Industrial Co-operation in Australia, pp.25 & 38.

ibid, p.38.

ibid, p.37.


ibid, p.42.

ibid, p.43.


Eklund suggests that this was the aim of BHAS in terms of its overall welfare program which involved a committee system that incorporated both unions and workers in the administration of the various company schemes. “Eklund, Intelligently Directed Welfare Work”’, 1999, p.133.

ACSI, Industrial Co-operation in Australia, p.9.


ibid, pp.25-26.

ibid, pp.27-29.

Under the company scheme, when an employee lost pay through absence from work due to sickness either of the employee or his dependents, or due to an accident arising out of or in the course of his employment, consideration was given to the granting of financial aid, usually by way of a supplementary weekly pay, Kangan, ‘Employee Services in Large Tasmanian Establishments’, p.41.


ACSI, Industrial Co-operation in Australia, p.9.


Patmore, A History of Industrial Relations in the NSW Government Railways, p.312.

The Staff, June 22, 1927; Patmore, A History of Industrial Relations in the NSW Government Railways, p.399.


NSW Government Railways, Railways at War. A Record of the Activities of the NSW Government Railways in the Second World War. NSW Government Railways, Sydney, no date, p.64.

Taksa, ‘Handmaiden of Industrial Welfare or Armed Combatant ?’p.325.


Anon, ‘Industrial Chaplains in Australian Plants’, p.41.


CHAPTER EIGHT

Housing and Stores

This chapter examines company programs in the area of housing and stores. The former involved the rental of company houses to workers, as well as schemes providing financial and material assistance to employees for the building or purchasing of their own homes. The latter included both company and co-operative stores. Co-operative stores should not be confused with the broader co-operative society movement in industrial countries. The broader movement involved members of the general public investing in the shares of a co-operative store. Company schemes, on the other hand, were financed by the company and by the sale of products. The Co-operative Councils established to administer company-supported co-operative stores generally consisted of staff members and employees, each with equal voting rights.

The majority of companies operating comprehensive housing or store schemes in Australia were located in remote areas. In some industries these provisions were introduced as part of a broader program to influence and improve the social and community lives of workers. While closely linked in terms of company strategy and labour response, with the aim of reducing repetition the chapter focuses primarily on housing and stores, other community-focused welfare schemes having been discussed in previous chapters.

The chapter begins with an overview of the extent, incidence and nature of company housing and store schemes in Australia. This is followed by an examination of the ways in which these schemes assisted companies to improve the quantity and quality of their labour supply. In isolated areas, company housing was often motivated by the simple necessity of attracting a workforce. However, many employers sought to increase the pool of labour from which to recruit, and also to attract and retain particular types of labour through their housing and store schemes.

Company housing and stores could also increase managerial control over the workforce as discussed under Managerial Prerogative. The schemes demonstrated company concern for workers and their families, fostering a more co-operative relationship. Further, housing and store schemes encouraged workers to identify their own and their
families’ interests with those of the company. The threat of eviction from company houses also acted as a deterrent to industrial action or as a strike-breaking weapon, and could divide the workforce along the lines of marital status. Company or co-operative stores also increased management control over the cost of labour.

The majority of details relating to company housing and stores are discussed in the above sections, thus negating the need for a separate examination of the characteristics of the schemes. Labour response to company programs is henceforth examined, followed by concluding comments.

**Overview**

Prior to the rise of the welfare movement, a number of companies in rural or remote areas had for some time provided housing for their workers, given the lack of alternative accommodation. Indeed, during the latter part of the nineteenth century urban house-building, the construction of transport and communications facilities, grazing and local authority works (in that order) absorbed the major part of Australian investment.\(^1\) A very large part of this investment was directly concerned with the physical extension of urban areas rather than the establishment of new centres. With the emphasis placed on urban, and indeed metropolitan, areas in terms of population, job prospects, and investment and government expenditure, companies establishing operations in isolated areas were left largely to their own devices in supplying the necessary housing and infrastructure to accommodate their workers.

The main industries established in remote areas in this period were pastoral and mining. While wool production was significant to Australia’s prosperity, this industry was relatively capital intensive and gave rise to an extensive type of land settlement, squatting, which allowed huge areas of land to be quickly occupied but supported only a low density, sparse population, requiring little labour\(^2\) and no incentive for the establishment of company-towns. One exception was the Peel River Land and Mineral Company which the Australian Agricultural Company (AACo.) formed in 1853 to work the recently discovered gold on its Peel Estate (the AACo. was precluded from doing this under its Charter) and to continue its pastoral operations. The AACo. began auctioning off its land near Tamworth to
the public in 1849, and the Peel Company continued this trend. However, no lots were sold at Goona Goona, a few miles south of Tamworth and the location of the Head Station. The first General Superintendent of the Peel Company, Philip King, ‘realised that the first building there would be a public house and the next a rival store, neither of which he wished to see near the Head Station’. Nevertheless, a village-like settlement grew at Goona Goona including a post office/store, houses for employees, and a private chapel. The AACo. also introduced large-scale coal-mining in Newcastle, NSW. While not the only coal-mining region in NSW, the northern field of which Newcastle was the port was the most important, accounting for two-thirds of the mining workforce and about 70 per cent of all coal production in NSW between 1880 and 1930. While AACo. initially dominated the mining activities in the area, from 1855 onwards other large companies began operations. These companies acquired a freehold title to an area of land and then founded a settlement close to their mines to attract a workforce.

However, coal-mining companies rarely provided more than the bare minimum in terms of housing and town infrastructure. The town of Wallsend, for example, was established in 1859 when the Newcastle Wallsend Company opened a mine 12 kilometres west of Newcastle and built a village, named ‘Pittown’, composed of two rows of cottages rented to miners and their families on a weekly basis. Streets were undefined and the town was set in the middle of unspoilt bushland. Nevertheless, by providing housing for its workers, Newcastle Wallsend differentiated itself from other mining companies in the area, most simply laying out residential areas on company land for the miners to build their own huts. A *Sydney Morning Herald* correspondent in 1860 commented on the living conditions of miners living in ‘towns’ surrounding the Newcastle centre;

> Any considerable improvement in the material and style of their houses can hardly be looked for from men who are employed from morning to night in excavating coal, and the duty obviously devolves upon those who are enriched by their labours. There can be no doubt that the erection of more sightly and comfortable dwellings would incur no loss to the companies, as the miners would willingly pay a higher rental for them than for the slab or bark huts they now reside in.

Nevertheless, while coal-mining companies in Australia were notorious for their lack of employee or community welfare, the metal-mining industry exhibited a strong paternalistic
tradition long before the rise of the welfare movement. As early as the 1850s the South Australian Mining Association at Burra, near Adelaide, had what Blainey describes as ‘a small welfare-state’. This included rows of cottages with stone walls and earthen floors built by the company for many of its workers. In addition, ‘the people of Burra worshipped in chapels on land donated by the company, ate meat slaughtered in the company’s abattoirs, drank water from company wells, brought their relations from Cornwall at the company’s expense, and were buried in the cemetery at whose gate the company’s sexton presided’. According to Blainey, in the age of laissez faire Burra was the most benevolent company in Australia.\(^8\)

The intense paternalism at Burra, however, was not extended to interlopers or newcomers to the area. This group, by 1851 numbering nearly 1800 people in total, ‘lived in caves they had excavated in the banks of the creek, with weatherboard fronts to keep out the weather, and dug-out chimneys down which foraging goats sometimes fell.’\(^9\) These caves, and their inhabitants, were washed out by floods in winter and the children died of fever in summer. The company, however, was not at all sympathetic to the plight of these workers. ‘You must not incur one farthing more expense than is absolutely necessary in affording cottages for the people washed out of the Creek’, wrote the secretary to the chief captain after a flood in 1850. Another flood in 1851 produced an ultimatum on the door of the blacksmith’s shop at the mine, warning that at the end of the year the mine would employ no person who lived in the caverns.\(^10\) Indeed, these people could not be trusted to withhold information of the company’s mining activities and finds from competitors.\(^11\) Rather, it was the core workforce of trusted and loyal Cornish employees to which the company’s paternalism was directed.

Other metal-mining companies continued this paternalistic tradition, most notably at the Wallaroo and Moonta mines. As at Burra, the managers (or ‘captains’ as they were called in Cornish tradition) and workforce of these companies were primarily from Cornwall. Indeed, Moonta and Kadina (at the Wallaroo mines) became possibly the largest Cornish communities beyond Cornwall itself. Workers built their own cottages on company land, and areas were donated for burial grounds and churches. Indeed, at Moonta the company provided land for the erection of sixteen different churches.\(^12\) As was the Cornish manner, the companies adopted the role of stern godfather to their employees.\(^13\)
The Moonta and Wallaroo companies merged during the copper slump of the 1880s to form the Wallaroo and Moonta Mining and Smelting Company. The traditional paternalism of the companies was subsequently formalised by way of welfare benefits and services including company housing. Many residences were erected on the mining leases for employees to rent at a nominal rate. Most of these places were then sold cheaply to the occupants. In the following years, the company allotted employees sites for houses on the mining leases, charging them neither rent nor taxes. At Wallaroo, freehold land belonging to the company was made available to employees on easy terms for house-building. At a time before 1920, when 1,740 men were employed, 1,069 were living in houses on mineral leases and freehold land, and 122 were in their own homes on rented freehold land, the balance being single men living with their parents and married and single men boarding. Good roads and footpaths lined with trees were also provided, and a complete installation of electric light and several plantations gave the mines ‘a garden-like aspect’.  

As the welfare movement developed in Australia, the community-focused programs at base-metal fields or plants resulted less from the paternalistic ideologies of managers and more from conscious strategic planning. In 1918 the Port Kembla refinery sent an industrial officer to inspect Wallaroo who reported: ‘Probably nowhere in Australia is the welfare of the employees, both at work and after working hours, provided for in such a generous manner’. Indeed, Blainey argues that the Wallaroo and Moonta Mining and Smelting Company became a pacesetter, its welfare practices emulated by some manufacturing firms in isolated areas including Australia’s three most important metallurgical plants - Port Pirie, Risdon, and Port Kembla.

Eklund, on the other hand, argues that the welfare scheme of BHAS at Port Pirie became the pacesetter for the smelting and refining industry. BHAS was established in 1915 as a joint venture of four large Broken Hill companies, Broken Hill South Ltd, North Broken Hill Ltd, Zinc Corporation Ltd and BHP (which subsequently withdrew) to take over the Port Pirie smelters. W.S. Robinson, a prominent Collins House financier and BHAS director largely based in England, was the key instigator of the Port Pirie scheme and the similar one at Electrolytic Zinc in Risdon, Tasmania. His ideas were based on developments in Great Britain during the war, and Port Pirie became a testing ground for these new developments.
The welfare program at Port Pirie involved the establishment of a co-operative council in 1917, an organisation where staff and workers could work together to set up a co-operative store. The store, organised with the assistance of BHAS’s industrial consultant Gerald Mussen, was to supply food, clothing and other items either unavailable at Port Pirie or sold at an excessive price by local storekeepers. The Council consisted of six members nominated by the company, and 27 members elected annually by the employees on the basis of one for each 100 workers. Each member had one vote, and the decisions of the Council were based on the open majority of votes. The Council annually elected a Chairman, a Vice-chairman, a Secretary, and an executive composed of four representatives of the employees and three of the company. The company’s General Manager acted as President of the Council, and he had the power to veto any decisions of the Council or the Executive if he thought it would be detrimental to the success of the scheme.

According to Eklund, the welfare developments at Port Pirie were soon copied by other companies such as ER&S at Port Kembla and the Sulphide Corporation at Cockle Creek. ER&S, formed in 1907, had a history of extending welfare provisions beyond the workplace. During the 1910s, ER&S built houses for staff and workers, a rare provision in the Australian smelting industry. By 1920, 52 cottages had been erected and rented to employees at lower rentals than those charged by other owners. ER&S also established a co-operative store in 1917. However, in 1918 the company sent its accountant and a representative from the AWU to Port Pirie to investigate the BHAS scheme. By the year’s end ER&S had reorganised its co-operative store along similar lines. In addition to the general store, the Co-operative Council of ER&S also operated a butcher’s shop, supplying prime meat at a cost lower than that charged by butchers’ shops at Wollongong, the nearest town to the industrial settlement at Port Kembla. The Sulphide Corporation, while not previously offering welfare provisions, had by 1919 also established a co-operative store along the same lines as the Port Pirie model.

By the late 1920s every big base-metal field or plant in Australia had welfare schemes, not necessarily involving company housing, with the exception of Broken Hill where a welfare program was introduced in the mid-1930s. Again, W.S. Robinson was the main instigator in the welfare developments at Broken Hill. As the Managing Director of Zinc Corporation, Robinson and his other directors began a broad program of welfare reform in 1936, in some cases enlisting the co-operation of the other big mining companies.
on the field, particularly New Broken Hill Consolidated Ltd, a company created by Zinc Corporation in 1936 to explore the southern ground of the field. The welfare program involved the steady introduction of all kinds of community services and amenities including co-operative housing schemes. The mining companies also helped to finance improvements to many of the existing amenities such as hospitals, schools, water supply, sewerage and power supply. As Robinson notes in his memoirs, ‘we had grown beyond the stage – and I well remember it – when any suggestion in the board room to provide expensive amenities for the men at Broken Hill was regarded at best with cynicism and frequently as a proof of extreme socialistic thought.’

The landscape of Broken Hill was also transformed. When mining engineer and future President of the United States, H.C. Hoover, visited the field in 1905 he thought that Broken Hill was ‘one of the dreariest places on earth.’ As he wrote in his memoirs, ‘there was practically no vegetation and the mountains of tailings blew into every crack, corner, dish and bed with every wisp of wind.’ At Robinson’s instigation, the Zinc Corporation engaged a botanist and fenced a large area to the windward side of the plant in order to keep out drifting sand and rabbits. In this area they grew native plants and the effect was so significant that the regeneration area was extended. Ultimately the sand drifts were stopped, the native flora grew, and the dust storms became less frequent, thus transforming Broken Hill into an attractive environment to live.

As new metal-mining sites were established, companies continued the trend of creating towns with superior community amenities. Mount Isa Mines in Queensland, for example, began constructing an elaborate company town in 1927 under the Director Leslie Urquhart. The overseas influence is again important here. Urquhart’s scheme was based on his experience in Russia where, prior to the 1917 Russian revolution, his companies had constructed vast camps of log cabins, shops and churches for employees. In Mount Isa, hundreds of two-storey homes, wooden bungalows, and tent houses were built in planned streets, all equipped with electricity, sewerage and running water. The company built company stores, its own hospital, its own ice works and abattoirs, recreation club and social hall, boarding houses and bandstand. In addition it beautified the town, planting tropical shrubs, thin strips of lawn and avenues of trees.

Government undertakings in regional areas also provided company housing and community facilities. Most of the major works of the Sydney Metropolitan Water Sewerage
and Drainage Board, for example, were located in remote areas and they therefore made provision on site for accommodating staff and workmen during the generally five to ten years of construction. ‘In this connection’, stated the Board, it had, ‘adopted the principle of providing at each work a self-contained Township with as many as possible of the comforts and amenities to be expected in a small country town, to a standard governed only by the economical limitations which the temporary nature of the work imposes.’ Provisions included housing, a general trading area, and sporting and recreational facilities. Well-lit roadways surfaced with bitumen would connect all sections of the Township, and water, electricity, sanitary and garbage services, were provided. Provisions were also made for the education of children and for the medical needs of all residents.31

Other Government undertakings provided stores and/or housing for their workers. For example, by the 1920s the Tasmanian Government Hydro-Electric Department had built a staff accommodation house for single men on the operating staff at the generating station, supplying a housekeeper. For the married men there were cottages with all ‘modern’ conveniences including drainage, an efficient water supply and electric light.32 The Department also opened its own stores to enable the workers to obtain provisions, clothing, boots and other items at reasonable prices. Similarly, in 1920 the Commonwealth Government had 100 houses in the course of construction for the use of employees at the Lithgow Small Arms Factory. The rents to be charged were to be as low as would be consistent with the cost of the buildings.33

In private industry, company housing and store schemes were not limited to base-metal plants and fields. Indeed, by 1931 Mauldon found that of the 76 private enterprise establishments with organised welfare plans, four of which were in the metalliferous mining and smelting industry, 10 provided housing at cheap rentals, five had home purchase schemes and four operated co-operative or company stores.34 The Sarnia Packing Company provided at Pyap Estate, South Australia, a store at prices no higher than any stores in the township seven miles away. The estate was self-contained, the tenants living in houses rented from the company.35 Mills in remote areas were often providers of these schemes. Australian Newsprint Mills in Tasmania, rented houses to employees at subsidised rates at both Maydena, the centre of its logging operations, and at New Norfold. Homes at New Norfold were also available to employees with six months’ service for purchase without deposit.36 Australian Paper Mills built houses for employees at all its
mills. At the isolated site of Maryvale the company constructed a branch line railway to the mill from the main Gippsland line over land it owned in 1938, and constructed homes for employees in collaboration with the State Savings Bank of Victoria. Within five years 90 houses had been built, and by, 1950 the figure was 342 with plans in hand to build another 440. Staff houses were also provided for both male and female employees and hostels were built for several hundred single men. At its Petrie Mill the company repeated this provision, but to a smaller extent.  

While some employers built dwellings for the purpose of letting them to workers, others offered financial and material assistance in the building of the workers’ own homes. Financial assistance was offered in remote regions such as Port Pirie and Port Kembla during the first two decades of the 20th century, and at Broken Hill in later years. Associated Pulp and Paper Mills in Burnie, Tasmania, faced with a scarcity of skilled labour and building materials, entered into a home-finance scheme that encouraged employees to do as much work themselves as possible. Funds were made available at low interest rates, pools of materials were established, assistance with planning and supervision during building was provided free and loans made to selected employees to cover the full cost of the home. Some company land was set aside for home building, but employees were permitted to select their own home allotments elsewhere. The Commonwealth Portland Cement Co. in NSW, while erecting houses for rental by staff members, sold building materials to workers at reduced rates for the purpose of the construction of houses. 

Some companies such as the Australian Mutual Provident Society assisted employees to purchase homes on easy terms. Alternatively, a number of companies built the houses that were subsequently offered to workers for sale. The Australian Chilling and Freezing Co. of Aberdeen in the Hunter River Valley, NSW, for example, built homes for its employees, who then bought them by an easy instalment plan. In the post-War period, Australian National Airways inaugurated a comprehensive company housing scheme, particularly designed to assist in the rehabilitation of servicemen. At a location near the airport in each state of Australia, the company acquired large areas of land to build houses for sale to the employees. The company assisted the employees, requiring low deposits and arranging to advance the balance of the purchase price. Employees could select their home from several models and, as noted by the company, would be ‘completely freed from any feeling of control by the Company over his home life.'
Clyde Engineering, situated in metropolitan Sydney, resolved to build 50 workers’ houses on company land at a cost not exceeding 100,000 pounds in 1950. After much investigation, a proposal for two-bedroom, timber-frames, fibro-clad houses at 2,000 pounds each was put before the board. The Parramatta Co-operative Building Society was willing to advance 1,750 pounds on each house, so, when the price of land was added, each purchaser would need to raise 750 pounds. Ten houses were ordered, and this was later supplemented by the purchase of individual, existing houses. After purchasing the houses, workers subsequently paid off the company mortgages in regular instalments.43

Nevertheless, given the history of urbanisation in Australia, there was little need for house building schemes in metropolitan areas. Urbanisation was not a new phenomenon to late nineteenth-century Australia, nor was it the result of a sudden population shift brought on by increasing industrialisation. Rather, cities and towns developed in advance of both industrialisation and rural settlement and from the earliest times, a relatively large proportion of Australians had lived in urban areas.44 Of the period 1860-1900, Noel Butlin has said:

The outstanding characteristic of Australian economic history was…the exceptional rate of urbanisation of the local population and the extraordinarily early orientation of economic activity towards commercial-industrial specialisation and the tertiary services of urban society. By 1891, two-thirds of the Australian population lived in cities and towns, a fraction matched by the United States only by 1920 and by Canada not until 1950. Most of Australian capital equipment went into growing towns, most of the expanding workforce was employed in urban occupations and the greater part of gross product came from urban activity…The process of urbanisation is the central feature of Australian history, overshadowing rural economic development and creating a fundamental contrast with the economic development of other ‘new’ countries.45

The six metropolitan centres (now state capitals) dominated in terms of population, and by 1901 some 70 per cent of the urban population was in towns over 100,000 and only 16 per cent in towns from 10,000 to 100,000.46 Indeed, this trend only intensified over the following years. The occupational structure of these large cities differed to their counterparts in other countries, with service and tertiary activities dominating rather than manufacturing. While manufacturing rose in significance during the latter part of the nineteenth century, these were small concerns. Further, while the above discussion points to
some examples of manufacturing firms introducing housing plans, evidence suggests that urbanisation gave rise to manufacturing, contrary to the overseas experience where manufacturing gave rise to towns. Certainly a high degree of urbanisation had been achieved in Australia long before manufacturing became significant, and the attraction of metropolitan areas is obvious in the location of the majority of factories.\textsuperscript{47}

It was these trends in population density that led the Federal Government to encourage the decentralisation of industry during the post-War period. In an address by John J. Dedman, Minister for Post-War Reconstruction, the principle of establishing factory settlements removed from the congested heart of over-crowed cities was given his ‘enthusiastic commendation’. While noting the problems generated by the decision to establish a plant distant from ‘the beaten track’ – transport of raw materials and finished products, availability of fuel and water, location of labour supplies – he congratulated the willingness on the part of some interests to shoulder the subsequent burdens by transferring their activities to less populated areas.

By ‘some interests’ Dedman was primarily speaking of the plans of the Dunlop-Perdriaau Rubber Co. to establish a model industrial garden city in Beaumaris, near Melbourne. The plan was to build a town for 10,000 people with 1200 houses, shops, a hospital, a library, a theatre, a school, and community and social facilities.\textsuperscript{48} The proposal was announced to the shareholders and the press in August 1939, but only a month later it was forced to announce an indefinite postponement of the scheme owing to the outbreak of war. In April 1944, the plan was re-initiated by the general manager of Dunlop, W.H. Bartlett, who received assurances from J.B. Chifley, the federal treasurer and later prime minister, that the same priority for labour and materials would be granted to the Dunlop scheme as to similar government and semi-government undertakings. After his unexpected death in 1947, Bartlett’s plan retained a high priority to Dunlop shareholders, the company finalising a huge debenture loan for the factory and garden city in 1950. However, by this stage, the rapid expansion of suburban Melbourne made the acreage at Beaumaris too valuable for factories. Indeed, the cost of building a huge factory, even without the surrounding suburb, had hugely increased and it was decided that the money could yield higher dividends elsewhere. The plan for Australia’s first private sector ‘Industrial Garden City’ was therefore abandoned.\textsuperscript{49}
Dunlop’s plan was promoted by the government and *The Australian Manufacturer* which, as Australia’s National Manufacturers’ Newspaper, reached a broad audience.\(^5\) The Government leased areas for private development such as the Salisbury explosives factory in South Australia in the hope of encouraging industrial dispersion. While such dispersion did occur, it was not accompanied by elaborate plans such as that of Dunlop Rubber. Rather, employers preferred to solve the housing problems with assistance schemes such as those noted earlier. For example, W. E. Cuckson, having heard of the opportunities for factory development at the old Commonwealth ammunition plants near St. Marys, established a manufacturing plant there in 1949 but was faced with a housing shortage in the area. Having employed a building team to erect the factory, this team was also provided to the employees for house building on a non-profit basis, the employees paying for materials and labour only. Furniture was made to order on the same basis. The company claimed that, due to the considerable saving made, workers were able to obtain loans covering most of their expenditure on houses, and in some cases the Superannuation Fund provided the additional finance.\(^5\)

Other companies such as Holeproof chose to establish new factories in growing outer suburbs, thereby minimising the need to provide housing and other amenities while at the same time attracting a ready supply of labour. Prior to the Second World War, Holeproof had one main mill at Brunswick, an industrial suburb of Melbourne. By 1947 it had seven mills within a radius of 15 miles of the centre of Melbourne, and two in NSW, all strategically placed in the rapidly developing residential areas.\(^5\) Likewise, after the abandonment of the Beaumaris scheme by Dunlop, the company began to set up small factories in those country towns where female labour especially was plentiful.\(^5\) In other cases, companies were aided in the decentralisation of production by Government Housing Schemes. James Miller and Co., for example, built a factory near the rural town of Gippsland in Victoria in 1947. Immediately opposite the factory the Victorian Housing Commission acquired a large area of land on which it built a ‘modern village’.\(^5\) The company therefore relied on the government to provide the infrastructure necessary to house an industrial workforce.

Similarly, in coal-mining districts, the responsibility for improving the living conditions of workers ultimately fell on the government rather than the mining companies. As part of post-War reconstruction, the Federal government introduced the Commonwealth
Coal Industry Act (1946), which established the Joint Coal Board. This Act gave the board the power to make provisions for; ‘Collaboration with other persons and authorities in the establishment and provision of amenities and of health, educational, recreational, housing and other facilities for communities of persons in coal-mining districts, and in the promotion of the development and diversification of industry and of town and regional planning of such districts.’ It also provided for a welfare fund which; ‘Shall be applied in such a manner as the Board determines, so as to promote the welfare of employees in the coal-mining industry in the state, their dependents and communities of persons in coal-mining areas.’ Thus, in contrast to the metal mining and smelting industry where companies accepted the responsibility of providing housing, town infrastructure and community amenities, in coal-mining districts the government was ultimately left with this responsibility.

In summary, comprehensive company housing and store schemes were largely limited to remote locations in Australia. However, some employers in rural and metropolitan areas did accept a role in the provision of housing by providing employees with the means to build or buy their own homes. While the dispersion of industry during the post-War period provided the environment for the spread of company towns, or at least housing schemes, the majority of employers continued to rely on the government or private contractors for the provision of housing and town infrastructure.

**Labour Supply**

The provision of housing and town infrastructure in isolated or rural areas was often driven by the simple need to attract and accommodate a workforce, particularly given the emphasis placed on urban areas in terms of investment and government expenditure. Indeed, after years of providing housing for its workers at various mills, it was not until 1957 that a government offered to help APM with housing through the Government Housing Trust, and then it was only because a company, in which the South Australian Government had a financial interest, needed outside assistance to develop the State’s pine resources in the Mount Gambier area.
However, the quality and extent of housing or town infrastructure in remote areas varied considerably. An IWD report to the Joint Coal Board in 1947 found that some companies did provide housing for their workers in coal-mining districts, although a larger proportion of miners lived in houses rented from private landlords. The houses in these districts were reportedly of ‘low standard and cramped on small allotments which, however, are frequently scattered over wide areas, in groups or singly, separated by acres of undeveloped land.’ As a result, miners were rarely consolidated as a community, and lacked basic infrastructure and services such as roads, water, electricity, drainage and transport. For example, at Catherine Hill Bay, near Newcastle, the company houses for the miners had no electricity or water, although the company had piped water to certain points where it could be carted in buckets when house tanks were dry.\footnote{57}

In contrast, some companies provided good quality housing and developed the town’s infrastructure and community amenities. At Mount Isa Mines in Queensland, the elaborate company town was created close to an already established and developing township of unemployed miners. The directors, however, decided to create a separate community before the mine and treatment works were even ready.\footnote{58} Thus, there were reasons beyond simple necessity for the provision of company housing or town infrastructure.

An important function of company housing schemes was control over the quantity and quality of labour supply. By providing good housing at low cost, a company could attract superior employees and induce able employees to stay.\footnote{59} In Australia, this was particularly the case in isolated areas where company-rental schemes prevailed. However, financial and material assistance in building a house also offered workers the opportunity for home-ownership at a lower cost than otherwise available. This was an important inducement in the attraction and retention of labour in rural and urban areas. These schemes also had the potential to tie workers to the company through financial commitment. The British Tobacco house building scheme, for example, required that the property be insured in the company’s name, and that the borrower could not ‘sell or traffic in the property’ while the interest or principle remained unpaid.\footnote{60} Thus, particularly in the case of single-industry or remote towns, once a worker had bought or built a house using company finance, he/she would be tied to the area and thus the company, at least until the loan had been repaid.
The provision of good housing was also an important factor in attracting labour from overseas. Housing schemes of the nineteenth century such as that at Burramay have been partly motivated by the desire to attract workers from Cornwall. Likewise, from the mid-1880s, skilled immigrants from Clydeside recruited by the Hudson Brothers, later Clyde Industries Group, lived in company houses near the works. At Mayfield, near Newcastle, John Lysaght built 61 five-roomed brick houses for the skilled English workers brought out to start the company’s steel operations in 1921. In a period of housing shortage in England, the attraction of newly built brick cottages, with the option of rental or purchase, each fitted with a septic tank, lavatories, must have been strong. These houses were furnished, although the furniture could be bought, exchanged or rejected as the tenants pleased. 

Employers often sought to attract married men to their works through housing schemes. These workers were considered by companies such as BHAS to be more reliable and settled. Furthermore, skilled men were more likely to be married than the unskilled, and in order to retain their services, companies needed to cater for the needs of their families. Indeed, in 1918 the General Manager of BHAS at Port Pirie reported that ‘several of our fitters left owing to their inability to secure accommodation for their families.’ Nevertheless, despite modest initiatives in the area of company housing, BHAS ultimately relied on the private housing market at Port Pirie to provide for the needs of its married employees. The British Tobacco Co, on the other hand, entered upon a house-building scheme in 1912, which, while suspended due to a shortage of money during the war, recommenced at its end. Under this scheme advances were made ‘to married male employees who have been in the service of the company for two years, to erect dwellings for their own occupation on land held in fee simple, or to pay off any liability secured on such land. 

The Sydney Metropolitan Water Sewerage and Drainage Board provided housing for the married members of its staff and employees at all major works. The standard of such dwellings was high given the temporary nature of the work conducted by the Board. It was reported in 1947 that married members of staff whose families resided on the works were provided with cottages rent-free. These houses offered ‘adequate verandah space, separate bathrooms with iron baths, separate laundry conveniences, kitchens fitted with porcelain enamel sink and built-in fuel stoves.’ An open brick fireplace or a closed heating stove was
fitted in the living room of each cottage, and all services with the exception of light and power were provided for free. Employees with families rented 3, 4 or 5 room cottages, all comprising of fuel stoves and sinks, a separate bathroom and laundry with fuel copper and two tubs. Single staff and employees were comfortably housed in separate barracks without charge. The employees’ section of the Township was subdivided into two distinct areas, one for families and the other for single men, again demonstrating a concern to cater for the social life of married men and their families. 68

Company attempts to ‘beautify’ their towns by creating parks and gardens was also a method to attract married workers and encourage them to stay. In a similar way, workers were often encouraged to improve the exterior and interior of the houses in which they lived. Zinc Corporation-New Broken Hill Consolidated Ltd not only helped to finance the construction of workers’ homes, but also encouraged workers to improve these homes by making it possible for them to buy paint on terms, borrow paint spraying equipment, and obtain assistance in establishing gardens. 69

Similarly, the Electrolytic Refining and Smelting Company at Port Kembla encouraged workers to take pride in the houses they rented from the company, 52 of which had been erected by 1920. 70 A ‘Cottage Garden Scheme’ was introduced ‘whereby each tenant of the company who keeps his premises in a reasonably clean condition, and also has a garden kept in a fair state of tidiness, receives a prize of 5s. per month’. Each month, the tenant gaining the highest points received a further prize. Points were awarded for front garden, back garden and general appearance of cottage and grounds. 71 In addition to beautifying the town, such schemes contributed to a feeling of proprietorship in rental houses, important for increasing the occupant’s responsibility of care and for fostering a sense of attachment to the house and thus the company. 72

Company stores, if designed to reduce the cost of living, also provided an incentive for workers to remain in a company’s employ. Indeed, in contrast to the US and Canada where workers complained of the higher prices charged by company stores relative to independent stores, 73 the majority of company or co-operative stores in Australia were established to reduce the cost of living in remote towns. Associated Pulp and Paper Mills at Burnie in Tasmania, for example, provided two kiosks within the mill premises, run by a Council of employees and senior staff members. These kiosks sold fruit, vegetables, tobacco and cigarettes, cordials, confectionery and packaged groceries at the lowest
possible prices. At Port Kembla, the co-operative store selling boots, clothing, tobacco, household utensils, and general supplies, with the exception of groceries, was reported in 1920 to have had a saving effect varying from 15 to 25 per cent.

Similarly, the BHAS co-operative store at Port Pirie established in 1917 was an attempt to reduce the high cost of living. Initially, after a conference with union representatives in 1917, a co-operative wood-yard was started, reducing the cost of firewood significantly. The company then made available kerosene at cost price. Following this, a petition signed by over 80 per cent of the employees asked the company to attack the cost of living in general, leading to the Co-operative Stores Scheme, financed by the company. This scheme enabled goods to be retailed virtually at cost-price. Further, the agreement explicitly provided that the company would have no share in the profits made by the store. The store initially dealt only in men’s clothing, tobacco, men’s, women’s and children’s boots, and a few other lines. As Eklund notes, these items were directed primarily towards a male clientele. However, before long the premises were extended to cover groceries, dairy produce, and other goods including drapery, areas where women were the key consumers. This suggests a conscious strategy to encourage married men to stay in Port Pirie.

In summary, while company housing was sometimes based on the simple necessity of accommodating a workforce in isolated areas, employers recognised additional benefits accruing from their housing schemes. In the first place, good housing offered at low rentals could attract superior employees and induce able employees to stay. Financial and material assistance in home building had a similar effect. The provision of good housing was also an important factor in attracting and retaining labour from overseas and/or married workers. By reducing the cost of living and catering for the needs of families, company-sponsored stores also provided an incentive for workers to remain in a company’s employ.

Managerial Prerogative

Company housing and stores were often introduced as part of a co-operative effort to improve employer-employee relations. This was particularly the case in remote areas where the climate and terrain was generally harsh, and isolation led to a high cost of living.
Companies, by providing comfortable housing and subsidised stores, demonstrated their concern for the welfare of employees and their families. In return, employers hoped to foster a sense of co-operation and contentment amongst the workers. The Mt Lyell Mining and Railway Company, for example, introduced housing schemes as part of an elaborate welfare scheme to harmonise industrial relations following a bitter strike in 1911 and a subsequent mining disaster. While Mt. Lyell was originally a depressing and expensive place to reside, by 1920 the company was providing cheap housing for employees, turning old hotels into good boarding houses, offering employees cheap firewood and probably the cheapest electricity in Australia, and opening stores to lower the cost of living. As Blainey reports, ‘While the bodies lay in the mine, the tension and pent-up enmity which had flared up against the company could have gouged an irreparable gulf between the company and its men…Instead, the Mt Lyell field had an amazing record of industrial harmony after 1912.’

Companies that provided employees with the means to buy or build their own homes also demonstrated concern for their workers and their families beyond the workplace. W.E. Cuckson, the Managing Director of Cuckson & Son, for example, stressed that its home-building scheme ‘was not started as a stunt, but as a sincere effort to assist employees to settle their families in comfortable homes of their own in the shortage possible time.’ In turn, he noted, ‘It is impossible to exaggerate the importance of the contribution this scheme has made to the goodwill and appreciation not only of those who have availed themselves of it, but of others as well.’ Indeed, home ownership was the ultimate goal of many workers – the key to realising the ‘Great Australian Dream’. The feeling that such a significant personal goal could be achieved in association with the company would, it was hoped, lead to an enhanced spirit of co-operation, mutual respect and esprit de corps.

Further, it was assumed that workers who relied on company loans for their homes, who rented company houses, or who relied on company stores for cheaper consumption, would identify their own and their families’ interests with those of the company and not risk their stake in its success by restricting work effort, going on strike, or other actions damaging to the business. This was also a function of house-building schemes in one-industry towns. Indeed, threats to close down operations were a powerful strike-breaking
weapon - workers would be left with all their savings invested in a house with a much-reduced market value.  

Moreover, overseas evidence indicates that many leases stipulated that if for any reason workers left the employ of the company, they must vacate their dwellings on short notice. If an employee joined a strike, they were required to leave their homes even sooner. This is evident in the coal mining industry in Australia, although in the majority of cases the ‘huts’ from which workers were evicted were self-built without assistance from the company. This arrangement cannot be classed as welfarism. Nevertheless, if the threat of eviction from bark or slab huts was a useful method to break strikes in coalmining towns, how more so was it as a deterrent when workers were renting good quality housing at low rates. This was particularly the case if workers had transformed company houses into family homes as was encouraged through the ‘home beautification’ schemes of some companies. Indeed, in this way the threat of eviction could reduce the collective strength of labour by dividing the workforce along the lines of marital status. Sacrificing a room in a boarding house or similar accommodation was of no great consequence to most single workers. However, the shelter and comfort provided by company housing was of utmost importance to married employees, particularly if they had children to consider. These workers would therefore be less likely to risk their family home and lifestyle by going out on strike.

Thus, company housing enhanced the company’s control over the workforce, making it more difficult for labour to challenge unilateral management decisions. Moreover, company housing could consolidate workers and their families as a community. This could foster a sense of unity in the ‘company family’ – as neighbours workers and their families would identify with each other and the company. However, it was also important if the company aimed to influence the social and community life of workers through its broader welfare program, and thereby reinforce its central position in the lives of workers.

Company or co-operative stores also had an extended role beyond the demonstration of employer concern for the lives of workers and their families. In the US and Canada these stores were often used as a method of authoritarian discipline. Workers complained that company stores charged exorbitant prices and that they were faced with dismissal if they went elsewhere. The system of selling goods on credit, then deducting the
money from a worker’s paycheque could cushion the effects of economic downturn – unemployed workers could continue to buy necessities but when prosperity returned, outstanding bills and rent had to be paid. However, the threat of being cut off at the company store also ensured that a worker did not participate in union activity or other forms of resistance against the employer’s authority.\textsuperscript{86}

The co-operative nature of most company stores in Australia reduced their potential to enforce such discipline. Indeed, the rules of the BHAS scheme at Port Pirie stated that while employees were free to buy elsewhere, if they dealt at the Co-operative store they had to pay cash over the counter.\textsuperscript{87} Further, short of charging exorbitant prices, the majority of company-supported stores in Australia were designed to reduce the cost of living. This, however, increased managerial prerogative in the area of labour cost. Indeed, the BHAS co-operative scheme at Port Pirie was partly motivated by the introduction of the Industrial Code in South Australia in 1920, after which wages were determined by the Board of Trade using the living wage index. The Board decided on wage rates for particular regions based on the Commonwealth Statisticians index of prices as well as other evidence. Thus, by reducing the cost of living in the area, BHAS could effectively reduce the wages paid to their employees.\textsuperscript{88}

Similarly, the welfare scheme at Mount Lyell stabilised the cost of living when it was rising elsewhere. Apart from providing cheap housing, firewood and electricity, the company established butcheries at the towns of Gormanston and Linda in 1919, and after pressure from unions and friendly societies, it sponsored a Co-operative Butcher and Bakery in Queenstown and opened a general store in Gormanston in 1920. A year before the ‘cheap food’ campaign began, the cost of living in Queenstown was higher than any town in Tasmania. Two years later it had the cheapest cost of living of the large Tasmanian towns. An arbitration court judge commented that ‘it was difficult to believe that the cost of living in a remote district like Queenstown, away from shipping and inland on the west coast of Tasmania, should be less than in Melbourne.’\textsuperscript{89} This saved the company from union demands for higher wages - demands that closed many fields in the recurring slumps in the price of copper during this period.\textsuperscript{90} Wages could even be reduced to cut the cost of production without reducing the standard of living. While some of the leading men at Broken Hill laughed at the Mt. Lyell Company’s policy, regarding it as philanthropic scheme that the unions would exploit, the mine manager contended that ‘it’s not welfare,
it’s self-preservation.\textsuperscript{91} Thus, the company stores increased managerial control over labour cost and reduced the influence of unions over the decisions of arbitral tribunals.

In summary, company housing and stores could foster a more co-operative relationship between management and employees by demonstrating company concern for the living standards of workers. Companies that provided employees with the means to buy or build their own homes also demonstrated concern for their workers and their families beyond the workplace. Further, it was assumed that if workers relied on company loans for their homes, rented company houses, built homes in one-industry towns, or relied on company stores for cheaper goods, would identify their own and their families’ interests with those of the company. The threat of eviction from company houses also acted as a deterrent to industrial action or as a strike-breaking weapon. This was also effective in dividing the workforce along the lines of marital status since workers with families risked more as a result of eviction. Finally, in addition to fostering a co-operative atmosphere, company-sponsored stores also increased management control over the cost of labour. In total, the functions of company housing and stores reinforced managerial prerogative over the workforce.

\textbf{Labour Response}

The practice of using the power of eviction from company housing in the event of a dispute is not evident in the metal-mining and smelting industry. Indeed, the isolation of most company sites created a challenge to attract good labour in the first instance, and made it difficult to attract strike-breakers at short notice. However, the ceasing of operations as a result of strike action was all the more significant in isolated areas. This impacted not only on the striking workers, but also on others depended on company production for their livelihood or business. Nevertheless, evidence suggests that the possibility of plant closure was not always sufficient to deter industrial action. For example, in October 1933 the miners at the Mount Isa Mines went on strike over the suspension of two colleagues for blasting rock in a dangerous manner. The company closed the mine and 2000 people subsequently left the town.\textsuperscript{92}

The success of company and co-operative stores was mixed. At ER&S, for example, the co-operative store was struggling financially by the mid-1920s and was sold to a local
shopkeeper in 1928, suggesting that the store had failed to achieve the loyalty of local customers.\textsuperscript{93} The store at Port Pirie, on the other hand, moved to larger premises in 1920 due to its popularity amongst BHAS workers and the local community. Indeed, the success of the store led the traders of Port Pirie to express concern that it was taking away from their business.\textsuperscript{94} However, despite the success of the BHAS store at Port Pirie, union officials were concerned about the legitimacy of the Co-operative Council and the true motives behind the scheme. While unionists had no evidence to support their fears at the time, Eklund has revealed that management attempted to hide the large profits that the store was making from the Co-operative Council, thus justifying the union suspicion.\textsuperscript{95}

In competition with the BHAS store, the Waterside Workers’ Federation (WFF) established its own Bakery and Co-operative store in Port Pirie in the early 1920s.\textsuperscript{96} Similarly, in response to the Zinc Corporation’s move to establish company-run retail stores for all mine workers at Broken Hill in 1926-27, the local unions lobbied the NSW Lang Government and were successful in having regulations issued under the Mining Act banning commodity trading on all mining leases. Unions feared that the company scheme was an attempt to reduce the miners’ basic wage and to gain a monopoly over local commodity supplies. The staff stores expelled from the leases established a ‘co-operative’ shop in the town’s main street. This may have been a company inspired move, although the evidence is inconclusive. At the same time, the local peak union body, the Barrier Industrial Council, renewed its attack on the company stores idea, condemning any support as ‘contrary to working class principles’, and establishing a committee to investigate the possibility of establishing ‘Workers’ Co-operative stores’. Ultimately, as a result of union pressure on local retailers, the relocated shop was transformed into a union-orientated co-operative store based on the Rochdale system.\textsuperscript{97}

While local unions invested large sums in the store,\textsuperscript{98} the response of the union rank and file was not overwhelming. Local co-operatives attributed the low level of worker support to the lingering suspicion that it was a ‘mine store’.\textsuperscript{99} Indeed, reports from Broken Hill often spoke of the ‘serfs’ at Port Pirie who worked and shopped with the company.\textsuperscript{100} This demonstrates the perennial tension and lack of trust existing between workers and the mining companies at Broken Hill before the mid-1930s. Indeed, as W.S. Robinson remembered of Broken Hill in those days, ‘The manager often looked upon the employee as his enemy, and the average employee regarded the manager as his antagonist – someone
to be outwitted if one wanted to live. Directors, in the opinion of employees, were worse than managers, and beyond the pale. 101

The change in the nature of employer-employee relations at Broken Hill after the Robinson’s introduction of welfarism is illustrated by the fact that in the 14 years after World War Two, 1114 employees had been assisted with home-building through the co-operative housing scheme of Zinc Corporation-New Broken Hill Consolidated Ltd. This scheme involved the formation of 14 Co-operative building societies, with employees representing a majority on the Board of each Society, through which the company provided finance for home building. 102 Mutual trust was thus built through this scheme and the broader welfare program of these companies.

Indeed, while not eradicating strikes, in combination with the broader welfare schemes of companies, housing and store schemes did improve industrial relations by fostering a sense of mutual co-operation. Most company-sponsored co-operative stores were based on the Port Pirie model which effectively incorporated workers and their union representatives into the administrative structure of the scheme. Likewise, the co-operative housing scheme at Broken Hill involved the active participation of employees in its administration. While not significantly altering management authority over the terms and conditions of employment, these arrangements represented a ‘façade of consultation’. 103 The meetings and discussions brought management, employees and union representatives together, and this, combined with the practice of putting issues to a vote, gave workers a sense of participation and control in their working lives.

Relatively militant unions such as the WWF at Port Pirie and the Barrier Industrial Council at Broken Hill attempted to undermine company co-operative efforts. However, the majority of unionists cautiously accepted BHAS’s co-operative scheme at Port Pirie. Likewise the co-operative schemes at ER&S, the Sulphide Corporation and the Mt Lyell Co. were introduced without significant opposition. As Eklund notes, a striking feature of all these work places was that co-operative schemes went hand in hand with AWU dominance. 104 The AWU preferred arbitration and co-operation to direct confrontation. Indeed, at Port Pirie, the co-operative approach was a welcome change from the confrontation of the BHP days prior to the BHAS takeover. 105 Thus, labour response to the co-operative store schemes of companies was significantly influenced by the ideology of the dominant unions at the workplace.
Conclusion

Comprehensive company housing and store schemes were not wide-spread in Australian industry. Given the emphasis placed on urban areas in terms of investment and government expenditure, there was little need or opportunity for these schemes in urban areas where the majority of the population and jobs were based. However, some employers in rural and metropolitan areas did accept a role in the provision of housing by providing employees with the means to build or buy their own homes. While the dispersion of industry during the post-War period provided the context for the spread of company housing schemes in suburban and rural areas, the majority of employers continued to rely on the government or private contractors for the provision of housing and town infrastructure.

In turn, the direction of private investment and government expenditure meant that companies establishing operations in rural or remote areas were often responsible for creating the necessary accommodation and town infrastructure to attract a workforce. Coal-mining companies were not well known for providing workers with good housing or community amenities. However, the popularity of welfarism in the metal-mining and smelting industry made it necessary for companies to provide ‘bigger and better’ living standards in order to attract and retain good workers. In this industry companies also recognised the role of company housing and stores in the harmonisation of industrial relations, and this function was ultimately more important than their use as a strike-breaking weapon. Overall, whilst not wide-spread in Australian industry, company housing and store programs were central to the welfare strategies of some companies, particularly those in remote or one-industry towns.

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5 ibid, p.8.
Robin Gollan notes that the majority of huts from which J. and A. Brown’s employees were to be evicted in the Newcastle mining strike of 1896 were built by miners on company leases, R. Gollan, The Coalminers of New South Wales. A History of the Union, 1860-1960, Melbourne University Press, Melbourne, 1963, pp. 92-93. Likewise, AACo., while desperate to draw assigned labour from during the mid-1800s, did not offer housing as an attraction, Pemberton, Pure Merinos and Others, p.33.

Gollan, The Coalminers of New South Wales, pp.32-33.


ibid, p.111.

ibid, p.111-112.

The company’s rich mine lay on the boundary of its land, and promising deposits lay just outside the boundary. Likewise, to the south of its boundaries, the company wanted all minerals on Crown lands, ibid, p.110.

ibid, p.117-118.

‘Captain’ Henry Richard Hancock, manager of the Moonta mine, for example, ‘watched over his employees in work and sickness and leisure, set up night-school for the illiterate boys of the dressing sheds, giving each a metal token for each night at school, and insisting that he hand the captain of the dressing floor four tokens before starting work each Monday morning’, ibid, p.121.

Other schemes included the establishment of Institutes with circulating libraries, billiard, class, lodge, and meeting rooms, the subsidising of churches, Sunday Schools and friendly societies, and the building of recreation halls, sports grounds, and playgrounds, ACSI, Industrial Co-operation in Australia, pp.19-20.


ibid, p.306.

Eklund, ‘Managers, Workers, and Industrial Welfarism’, pp.149-150.

ibid, p.150.

ACSI, Industrial Co-operation in Australia, p.10.

This was particularly the case between 1907 and 1912 when the American Bernard Magnus was in charge. Magnus had overseas experience at Hecla and Calumet in the Lake Superior copper field, and it was these companies that had initiated a highly interventionist anti-union paternalism in the late 1870s, Eklund, ‘Managers, Workers, and Industrial Welfarism’, p.145.

ACSI, Industrial Co-operation in Australia, p.21.

Eklund, ‘Managers, Workers, and Industrial Welfarism’, p.150.

ACSI, Industrial Co-operation in Australia, pp.20-21.

Eklund, ‘Managers, Workers, and Industrial Welfarism’, p.150.

Amongst the problems at Broken Hill before the 1930s was the fact that it had 13 mining and milling companies and in accepting the need to provide for the welfare of its own employees and their families, a company would be also providing for the workers of other companies not willing or able to sacrifice part of their profits for the cause, Blainey, The Rise of Broken Hill, pp. 134-136.


ibid, p.162.

ibid, p.162.

ibid, p.162.

ibid, p.162.


‘Metropolitan Water Sewerage and Drainage Board, Attachment to Board’s letter to IWD, Sydney, 20/2/47’, AA, Series SP146/1, item 572/8/10.

ACSI, Industrial Co-operation in Australia, p.50.

ibid, p.52.


ACSI, Industrial Co-operation in Australia, p.61.


Turner, ‘One Day’s Stoppage in Twenty Years’, p.22.

ibid, p.48.


Glynn, *Urbanisation in Australian History*, p.3.


Logan, Whitelaw, and McKay, *Urbanisation, the Australian Experience*, p.20.

Glynn, *Urbanisation in Australian History*, p.17.


Anon, ‘Our First Industrial Garden City’, p.7.


Blainey, *Jumping over the wheel*, p.194.


‘Report to the Joint Coal Board by the Department of Labour and National Service, September, 1947’, AA, Series SP 146/1, item No. 580/4/7.


‘Report to the Joint Coal Board by the Department of Labour and National Service, September, 1947’; ‘Record of Visits to Coal Mining Districts, August 1947’, AA, Series No. SP 146/1, item No. 580/4/7.

Blainey, *Mines in the Spinifex*, p.158

Brandes, *American Welfare Capitalism*, p.44.


BHAS leased a boarding house in April 1916 which accommodated 100 single men, and in mid-1918 four concrete houses were built for workmen, Ekund, ‘“Intelligently Directed Welfare Work”’, 1999, p.140.


‘Metropolitan Water Sewerage and Drainage Board, Attachment to Boards letter to IWD, Sydney, 20/2/47’, AA, Series SP 146/1, item 572/8/10.

Hardy, ‘Subsidised Holidays at the Zinc Corporation Ltd. and New Broken Hill Consolidated Ltd., pp.32-33.

These houses were rented at a lower cost than that charged by other owners and were of four or more rooms, fitted with bathrooms and washhouses, ACSI, *Industrial Co-operation in Australia*, p.21.

ibid, p.21.

The DLNS report to the Joint Coal Board in 1947 noted the lack of attention given by workers to their houses, and the complete lack of gardens. This, according to the DLNS, was somewhat explained by the fact that the majority of houses were rented from private landlords, a lesser number from the colliery, and comparatively few were owned by the miners themselves. The lack of concern for the home was also said to be a symptom of insecurity and impermanence, ‘Report to the Joint Coal Board by the Department of Labour and National Service’, AA, Series No. SP 146/1, item No. 580/4/7.


Turner, ‘One Day’s Stoppage In Twenty Years’, p.21.


ibid, pp.10-11. If profit was made in any half-year after all contingencies had been provided for, at the direction of the Council it would be carried to reserve and used in the business, distributed among customers, or used for any ‘benevolent or philanthropic purpose’, p.11.
The welfare scheme also involved opening clubs and libraries for employees, giving men holiday passed on its two railways to the cost, building holiday cottages by the beach, and subsidising local bands and amenities, Blainey, *The Rush That Never Ended*, p.306.

Brandes notes this in relation to house journals which reported on milestones in the lives of employees, *American Welfare Capitalism*, p.63.

For example, at the outlying township of Minmi on the Newcastle coalfields, the company of James and Alexander Brown issued notices of eviction to all miners occupying huts on colliery property in 1860 creating such hostility from workers and their families that extra police were rushed to Newcastle. The company repeated this strategy during an 1896 dispute. When the miners refused to comply with the notices of eviction, the company responded by threatening to increase the rentals of their houses to the extent of 10 or 12 times the present amount, although the strike ended before this threat could be executed. The huts from which these workers were to be evicted had been built by themselves, without company assistance. Gollan, *The Coalminers of NSW*, pp.38 & 92-93, Docherty, *Newcastle*, p.20.

Eklund notes that the location of the workforce influenced the viability and nature of welfare strategies at ER&S, Port Kembla, and the Sulphide Corporation, Cockle Creek near Newcastle. Well developed transport networks to and from the Cockle Creek works made the workforce more diffuse and less easily influenced by welfarism, particularly broader schemes targeted at the social and community life of workers. At ER&S, on the other hand, before 1920 most workers lived in Port Kembla. As a result, ER&S extended its welfare scheme to influence the lives of its workers beyond the workplace, while the Sulphide Corporation focussed its strategy primarily at ‘welfare on the job’, Eklund, ‘Managers, Workers and Industrial Welfarism’, pp.137-154.


B. Ellem and J. Shields, ‘Making A ‘Union Town’: Class, Gender and Consumption in Inter-War Broken Hill’, *Labour History*, No.78, May 2000, pp.129-130. The Rochdale scheme was a system of collective ownership developed by the Chartists in Britain in the 1840s and transferred to the Newcastle coalfields by Welsh miners. The system was based on egalitarian ownership and control, open share ownership, equal voting rights for all shareholders and dividends payable on the volume of purchases rather than the level of share investment, p.139 (end note).
104 ibid, p.145 (end note).
105 ibid, p.132.
CHAPTER NINE

Superior Amenities

This chapter discusses the provision of superior amenities for employees, that is, those amenities the standards of which were above what was required by legislation and awards. The distinction between amenities and general working conditions, and between the welfarism movement and other efficiency movements such as Human Relations and Industrial Psychology is one of contention. The IWD noted the definitional difficulties when preparing the publication ‘Amenities in Industry’ in 1950. The focus of the IWD was on ‘the accommodation and equipment required for factory employees outside the actual working area’\(^1\). While conscious of the fact that the term ‘Amenities’, like ‘Welfare’ had long been felt to give the wrong impression of the fundamental requirements for employees in industry, the IWD recognised that the alternative term ‘employee services’ included more than was usually meant by ‘amenities’. Reference was made to overseas studies such as that titled *Working Conditions and Employee Services* published by the Institute of Personnel Management, London, which contained ‘Factory Amenities’ as a sub-heading of the chapter ‘Conditions within the Factory’, while other chapters covered Health Services, Conditions Outside the Factory, Economic Security of the Employee, Social and Recreational Facilities.\(^2\)

The benefits and services characterised as ‘amenities’ by the IWD differed somewhat from those of the London Institute. Chapters proposed for inclusion in the 1950 IWD bulletin included change rooms and lockers, sanitary and washing facilities, provision for cleaners, dining-rooms and tea-making facilities, drinking water, bicycle sheds, car parks and bus shelters, and personnel service requirements, but also covered first aid, rest-rooms and casualty centres, and indoor and outdoor recreation.\(^3\) The latter two chapters were viewed as separate and distinct forms of welfare by the London Institute. Indeed, this thesis also distinguishes between health and accident care, recreation, and superior amenities.

Despite such disparity, the general consensus was that amenities were distinct from general working conditions, and were provided away from the working area. Thus, issues such as types of flooring, adequate ventilation, artificial lighting, best use of daylight, while
aimed at increasing efficiency and production, are not considered as welfare amenities but as part of the broader efficiency movement. Consequently, for the purpose of this chapter, the emphasis is on change-rooms, toilet and locker facilities, dining areas and similar amenities, outside the work area. Efforts to make the workplace more attractive such as the landscaping of factory surrounds and the beautification of the interior are also considered in this chapter.

The chapter begins with an overview of the extent and incidence of superior amenities in Australian industry during the period of welfarism. The role of the state in promoting the value of amenities during the Second World War and post-War periods is of particular note, and is subsequently a major focus of the chapter. The chapter then looks at the value of superior amenities in improving the quantity and quality of labour supply. This is followed by an examination of the ways in which superior amenities were designed to enhance managerial control over the workforce and work effort - they could boost morale, reduce the relevance of unions amongst the workforce, and ‘uplift’ the attitude of workers. Overall, they aimed to create a labour force more willing to comply with managerial decisions.

**Overview**

The voluntary nature of welfarism necessarily meant that it began where industrial legislation left off. However, despite early factory legislation in Australia, the law only enforced a minimum, often defined as ‘sufficient’, ‘reasonable’, ‘suitable’ or ‘efficient’. Further, legislation only dealt with an entire industry, or indeed all industries and therefore could not take into account the special or differing conditions of various firms or trades. Some welfarist employers regarded the law as being, in many respects, inadequate and from the early years of the twentieth century provided amenities superior to the minimum standards set by the law. Similarly, while working conditions were included in industrial awards from the turn of the century, the amenities provided by such employers also went beyond these provisions and thus beyond the demands of trade unions.⁴

A 1920 ACSI study found that a number of public sector undertakings were experimenting with food services in this period. The Commonwealth Bank, for example,
provided a well-equipped luncheon room in Sydney where a hot meal was available to the staff at midday as well as afternoon tea. A tariff was charged, covering ‘practically only’ the actual cost of the food. The new postal building in Melbourne also had a dining room before 1920 under the control of a Committee of Officers. Three-course meals were provided at small cost, and accommodation was provided for employees bringing their lunches with them. The then Postal Minister intended to establish similar roof dining rooms in each of the principal post offices of the states, had he remained in power.

A number of private companies also offered dining or food services. As early as the 1890s some retailers provided dining rooms for their employees, following from their paternalistic origins. The Bank of NSW was also a leader in this respect, establishing its first luncheon room in 1901, and continuing to provide such amenities as branches were established in other capital cities. By 1920, the ACSI found that several firms had followed suit. Farmers & Co., the Sydney drapers and outfitters, provided staff luncheon rooms selling food at nominal cost at both its Market-street and Kent-street premises. Kodak in Abbotsford Victoria had established and furnished a dining room capable of seating about 400 people. Crockery was provided by the company, and it also supplied tea, coffee, milk, and sugar at its own expense. Many employers in the boot and shoe industry in Victoria provided dining rooms for employees, some fitted with heating apparatus, and employing attendants to prepare tea and clear and wash-up.

Other forms of superior amenities were also evident from the 1920 ACSI study. The Metropolitan Gas Co., for example, provided changing rooms equipped with lockers for each worker, as well as shower baths and wash basins. There were also drying rooms for employees whose clothes were made wet in the course of work, and mess rooms for the men. Similarly, at the works of the Australasian Scale Co., Waterloo, Sydney, shower baths were installed for the workers along with ‘up-to-date lavatory accommodation’. A mess room was also provided with the Works Foreman as the head.

An investigation of welfare schemes conducted by Tooth and Co. in 1923, prior to embarking on its own scheme, offers further evidence of the range of superior amenities provided in private industry in this period. The schemes of eight companies covering the tobacco, electrical, retail and manufacturing industries ranged from formal dining areas to hot-food services or cafeterias. Some companies simply provided the equipment for heating home-brought food of employees. It was with W.D. & H.O. Wills (British-Australasian
Tobacco Co.) that Tooth & Co. was most impressed in terms of food-services, subsequently basing much of its own scheme on this.

At the W.D. & H.O. Wills factory, the Directors’ Room sat about 10 people, the Office Staff Room about 60 and the Factory Employees’ Room about 800. Directors, office staff and wages staff were served the same food, although women were charged less. The factory employees, numbering around 1200, were separated into two 30-minute sittings. The first course of soup was ready on the tables as soon as the employees arrived. The second course consisting of meat dishes was on trays kept in radiators and the waitresses were ready to serve it immediately. Sweets were likewise prepared in advance so as to minimise time between courses. Meal menu cards showing the courses for the next day were placed on the tables and each employee marked the courses he wanted. In this way, the cook knew exactly what and how much food to prepare, and the waitresses knew exactly what to put on the trays for each table. Overall, the service was very ordered and efficient in terms of cost and time.15

In establishing its own welfare scheme, Tooth & Co. provided mid-day meals with an elaborated dining room, locker rooms, and a roof garden.16 These were located in the ‘Welfare Building’ and were an important part of the overall scheme. The company also considered a proposal to establish a Hairdressing Salon in the Brewery for the benefit of the employees, although this idea was dismissed after considerable consideration. While employees would gain from the time saved, the company was concerned of the subsequent bad reflection on the Brewing industry in terms of competing with outside traders, and also that the salon could become a betting shop, as many of the suburban shops had.17

By 1931, Mauldon found that, of the 76 private enterprises with organised welfare plans, 12 had special amenities in the working environment and 53 had dining and recreation halls, rest rooms, and associated facilities. In one company a free hot luncheon was provided for all employees. The provision of dining rooms and associated facilities was the most common form of indirect expenditure on welfare by employers, and involved outlay on comfortable equipment and/or service for meals at cheap rates.18 The frequency of this form of welfare, according to Mauldon, arose 'primarily from the prohibitions in the various state Factories and Shops Acts of meal-taking in workrooms, and the requirement, should the trade be declared to be noxious, that the employees be provided with accommodation for meals away from their working place.'19 However, as Mauldon
suggests, a number of companies providing meal services were not legally bound by these prohibitions, while those that were tended to establish services well above the legal requirement.\textsuperscript{20} 

Government initiatives during the Second World War encouraged the spread of superior amenities through Australian industry, and such provisions continued to be popular immediately following the war’s end. At the federal level, by virtue of National Security regulations, the Minister for Labour and National Service was empowered to regulate working conditions in industrial premises during the war years. The IWD of the DLNS was divided into several branches dealing with various aspects of welfare in industry. The Food Service Branch controlled the planning, establishment and operation of food services in Government factories, and advised private firms on large-scale industrial catering.\textsuperscript{21} Indeed, this branch appointed a senior dietician in 1943 to plan menus and test food values in bulk recipes.\textsuperscript{22} The functions of the Technical Services Branch were to develop standards of physical working conditions and welfare arrangements in factory building and equipment; plan the detailed application of these standards; encourage the adoption of these standards by employers; assist in making available the necessary equipment and materials; design Cafeterias and Mess rooms; and purchase Plant and Equipment for Cafeteria and Mess rooms.\textsuperscript{23} 

In addition, the Factory Welfare Board of the NSW Department of Labour and Industry was established in June 1942 to empower the State Department to require employers to provide welfare facilities considered by the Board to be necessary but not dealt with specifically in the NSW Factories Act.\textsuperscript{24} This Board made recommendations to the NSW Minister for Labour and Industry and Social Services in respect of special measures necessary for the health and safety of employees including the prevention of accidents and the provision of facilities for medical or first aid, rest, recreation, meals, changing and protection of clothing and washing.\textsuperscript{25} In January 1943 there were approximately 16,000 factories in NSW employing 208,289 males and 85,270 females demonstrating the need for a state inspectorate. Weekly inspections ranged from 250-300 factories, and in the largest factories they occurred as often as once a month.\textsuperscript{26} The Factory Welfare Board also sought the cooperation and assistance of unions. Unions were the main source of information on the need for additional amenities in various workplaces, and the Board needed their collaboration to ensure its activities were not seriously hampered.\textsuperscript{27}
While in some cases it was the unions that approached the Factory Welfare Board, the Board also prepared and issued questionnaires to be completed by the Shop Stewards on various jobs with a view to attaining information on the working conditions, safety provisions and amenities in factories and foundries. \(^{28}\)

A central objective for both State and Federal authorities was the provision of adequate amenities in factories during the war. Of most concern were food services and dining areas, lockers and change rooms, bathing areas and toilets. The lack of amenities, let alone superior amenities, in factories prior to the war is illustrated by the following observation of the Premier of NSW in 1944:

> Prior to my Government’s promotion of the Board, conditions in the majority of New South Wales factories were appalling. A canteen catering for workers’ lunches was an outstanding exception to the general rule, employees usually having to eat their lunches at their workbenches or in the heat and dust of the yard. Washing facilities were primitive – usually a galvanised iron trough with a trickle of water from a low-pressure pipe, which also had to serve for drinking purposes. Rest rooms were generally unknown and dressing accommodation was normally met by hangers around the factory walls. \(^{29}\)

In the later years of the Second World War, the war production program changed whereby expansion of employment and output occurred primarily in factories of contractors rather than Government munitions and aircraft factories. The IWD and the Department of War Organisation of Industry thus turned their attention towards private industry involved in the war effort, particularly those areas where working conditions were much inferior to those in Government factories and annexes. \(^{30}\) Commonwealth funds were made available to Government establishments and certain others engaged in the war effort for the improvement of amenities. Nevertheless, as the war progressed the need for strict economy in this respect became more apparent, limiting the funds available for amenities and services. \(^{31}\) This also led to problems of co-operation and co-ordination between the federal and state authorities in terms of the expediency of enforcement of decisions, particularly those of the Factory Welfare Board.

The procedure adopted was clearly a limiting factor in the swift improvement of factory conditions. In most cases, where new amenities were considered necessary in a NSW factory, a conference would be called of representatives of the employer, the workers
and their unions. On the basis of these conferences, plans were prepared and approved by the NSW Factory Welfare Board. If the cost involved exceeded 25 pounds, the employer was required to get the approval of the Federal Authorities. While the Department of War Organisation of Industry generally accepted the recommendations of the NSW Department of Labour and Industry and Social Services or the NSW Factory Welfare Board in regard to these matters, from December 1942, such applications were to be referred to the federal DLNS in Melbourne. Delays resulted from this procedure, particularly considering that the matter was ultimately referred to someone with no knowledge of the requirements of the particular factory or the views of the employers, the workers and their unions. Concerns were voiced by the Factory Welfare Board, the Premier’s Department, and by unions in NSW. Indeed, the conditions in some factories were ‘disgraceful’ and ‘intolerable’, and required immediate attention.

The reason for DLNS approval was to guard against non-essential expenditure. However, some unions saw it as another avenue for employers to neglect the working conditions of their employees. Nevertheless, the need for recourse and cross-checking is demonstrated through the complaints of some employers of the excessive and sometimes ‘non-essential’ demands of the Factory Welfare Board. John Perry Pty. Ltd. of the small country town of Bateman’s Bay, NSW, for example, was left with 19 pages of demands for alteration and additions to its factory which, on a rough estimate, would cost between 2500 and 3000 pounds, and which, with the scarcity of labour at that time, would take years to complete. The inspector’s instructions however were that they must be done ‘forthwith’. The company was almost exclusively engaged on work for the Defence Department and had been requested that money and labour not be expended on work not essential to the war effort. However, such labour would have been required to be diverted from the war effort to provide amenities that, according to the company, were neither desired nor would be used by the large majority of employees in country mills.

While in a city, employees travelling to work may have required change rooms, lockers and showers, the company argued that in a small country town such as Bateman’s Bay workers lived between 50 yards and one mile from the factory and walked or cycled to work. They did not bring clothes to change, nor waste time having a shower to put their soiled clothes on again. Nevertheless, such requirements were included in the list of demands. The company was also required to provide a septic system to toilets, although
they were not connected to a sewerage system. Indeed, the company contended that the toilets at the factory were superior to those in most of the employees’ private homes. Amongst the other demands was that separate dining rooms, dressing rooms, hot and cold showers were provided for each sex. The lack of ground space limited the ability to erect such facilities, but more importantly, at that time they would be building the amenities for 50-60 males and 10-12 females. Once the war was over, the company predicted that their total of employees would fall to the previous 23 males and no females.  

While the various Government departments and divisions enforced the improvement of amenities in Government factories and those of contractors, the IWD was also active in promoting the value of superior amenities to the private sector. Windows were secured in Munitions Buildings to advertise the benefits of good conditions such as reduced absenteeism. Graphs indicated the differences between the percentages of absenteeism for ‘good’ and ‘bad’ factories and the equivalent differences in output. Photographs of good working conditions and amenities were displayed alongside and information on where employers may go for further advice. A collection of photographs illustrating amenities was placed around the walls of the Reception Room of the DLNS, and another collection were shown while visiting companies in an attempt to ‘sell’ them the idea. Leaflets were both prepared and distributed by the Department on issues such as ‘Factory Planning’, ‘Industrial Cafeteria Advisory Committees’, ‘Standard Recipes for Industrial Cafeterias’, ‘Fourteen Standard Salads’, and industry specific studies, providing information of legal requirements, best practice, recipes, and even supplying model constitutions for committees in private industry. Bulletins were also published by the IWD containing photographs illustrating the ‘human side’ of industry and the value of superior amenities.  

The Federal Government continued to spread the gospel in the post-War period. Without the war time powers of intervention and thereby limited in its function of ‘ascertaining, demonstrating, and making known the best practicable Australian standards of working conditions in industry’, it continued to publish bulletins encouraging the adopting of superior amenities. *Amenities in Wartime Factories,* for example, was based on experience gained during the war years and was intended as a guide to manufacturers building new factories or extending existing premises. The bulletin dealt with desirable standards of factory amenities such as mess rooms, lockers, change rooms, toilets, washing
facilities and first aid. The establishment of cafeterias with full meal service was recommended for larger factories, but it was noted that ‘no factory is so small but a suitable corner could be partitioned off and furnished as a mess room, so that workers could enjoy restful seating and cleanly and agreeable surroundings during the meal-break.’

Publications by the IWD during the 1950s continued to focus on amenities in industry in order to update the wartime publications, emphasising provisions such as change rooms and lockers, sanitary and washing facilities, cleaners, first aid, rest rooms, dining rooms and tea making facilities, drinking water, bicycle shed, car parks and bus shelters.

As in the war period, food services remained central to the IWD’s drive for superior amenities. Numerous publications were released to private industry advertising best practice and advising employers on the establishment and operation of such services. Standard recipes for Industrial Cafeterias were also published, as well as a model constitution for Industrial Cafeteria Advisory Committees. Such committees were deemed important by the Division in 1945 ‘at a time when the factory cafeteria is spreading steadily through the industrial world, and workers are increasingly ready to take responsibility for matters affecting their general well-being.’ In addition, members of the Food Services Branch visited companies promoting the service. To support such moves, the Branch established an Advisory Section in order to provide technical advice and operational assistance to companies wishing to embark on such a scheme. A specially trained staff of officers with considerable experience in the control and management of industrial cafeterias were retained solely for this function.

In addition to publications, the IWD also held film nights for companies in the post-War period. The Food Services Branch was particularly vigilant in such efforts, screening films for members of staff in various companies interested in or responsible for food service amenities. A number of private companies assisted the IWD in its efforts. Vacuum Oil, for example, provided a theatrette and group of films for screening by executive and personnel officers, food service managers and supervisors of other companies in December 1947. Film titles included such as ‘This too is Sabotage’, stressing the importance of a balanced diet, the effects of malnutrition on absenteeism and accident risk in industry; a ‘How to Cook’ series including ‘How to Bake Cakes’, ‘How to Boil’ and ‘How to Cook Fish’; and ‘Cooking for the Millions.’ The Food Services Branch advertised and supported such film screenings.
Government enterprises also led by example. The Metropolitan Water Sewerage and Drainage Board, for example, had for many years provided superior amenities for its workers and continued to do so in the post-War period. The central workshops included amenities such as change rooms, wash rooms with hot and cold water, sanitary conveniences – automatic flush urinal stalls and closet cubicles fitted with press button flush, lunch rooms, and drinking fountains dispersed throughout the buildings. Construction works in metropolitan areas were provided with change rooms, with lockers for each man and adequate seating, drying rooms, wash rooms with hot and cold water, mess rooms, and sanitary conveniences. On works of about 12 months duration similar amenities were provided in temporary change sheds and wash-rooms. Even on small reticulation jobs and other minor works of only a few weeks duration, change sheds, washing facilities and lavatories were provided at a standard superior to that which would be expected.\(^5\)

Labour shortages in the post-War period led many private companies to provide superior amenities in order to attract labour. Some companies who had begun to improve amenities during the war years continued to expand such provisions in the post-War period. Bradford Cotton Mills, for example, set up canteens in the four Mills operating during the war years. In the immediate post-war period of rapid expansion, three new decentralised Mills were opened, each with provisions for canteens and adequate locker rooms ‘well above the minimum statutory standard’.\(^6\) Others such as Jason Industries, Western Australia, were fortunate to occupy former munitions factories where facilities in the form of change-rooms, lockers, and hot and cold water were already installed. In this particular case, a tea service was provided free to all employees and a well-equipped canteen was shared with other factories in the munitions factory area.\(^7\)

A number of companies that established their works during the post-War boom provided superior amenities at the outset, while others that were limited in their ability to improve amenities during the War due to the shortages of materials and manpower gave immediate attention to conditions in the post-War period.\(^8\) The post-War interest in superior amenities encouraged other companies to improve their own provisions in order to keep pace with developments. For example, it was during this period that the Colonial Sugar Refining Company began to realise that conditions in parts of their older factories were not as good as they could have been, and the initiative was subsequently taken to build new dining rooms, change rooms and showers at many of the factories.\(^9\)
Within such larger establishments, canteens and hot food services, adequate changing rooms, showers and toilets became common, following the trends of the war years. However, by the mid-1960s washing and sanitary facilities and dining rooms were common provisions in Federal awards, and in some cases canteens were provided for.\textsuperscript{55} Thus, they could no longer be viewed as voluntary provisions. In addition, certain amenities of benefit to the employees in earlier years no longer had the same value in the 1960s. Bradford Cotton, for example, found from the outset that many workers brought food from home, or preferred to eat away from the Mill, but in the post-war era, ‘days of abundant food variety a relatively small canteen faces enormous competition’.\textsuperscript{56} When the first canteens were started during the war, canteen advisory committees were set up, but by the mid-1960s these had lapsed. Due to changes in shift-work, workforce composition, and society, by the mid 1960s the company recognised that ‘the need for a full meal service has greatly diminished since the days when the canteens were opened.’\textsuperscript{57} Thus, superior amenities were a popular form of welfarism throughout the period of study. Prior to the Second World War, a number of companies provided changing rooms, lockers, washing facilities and dining rooms for their workers. During the War, the state played an active role in promoting superior amenities to private industry, while at the same time enforcing standards on Government factories and those of contractors. Government advocacy for superior amenities continued into the post-War period. While labour shortages induced a greater number of firms to introduce superior amenities as a way of attracting labour, by the 1960s many of these amenities were becoming standardised in industry through arbitral awards, thus reducing their voluntary nature and their value as a recruitment device.

**Labour Supply**

As indicated in the overview, employers primarily provided superior amenities in an effort to attract and retain labour. Indeed, with the expansion of employment and output in factories of contractors in the latter part of the war, pressure for review of conditions in these factories was largely due to the need to attract or direct women from employment in the better conditions of shops and offices, as well as from the private sphere of unpaid
domestic work. The Government authorities in control of war industries were faced with problems of recruitment, labour turnover and absenteeism as a result of the employment of the largely female and inexperienced workforce. Better working conditions and the provision of superior amenities were recognised as one method of reducing such problems.

In the post-War period, the shortage of labour for Australia’s fast-developing industries, accompanied by excessive labour turnover, made superior amenities a solid ‘selling point’ when advertising for labour and in attempts to retain the workers once employed. The post-war welfare scheme of Chrysler Australia, for example, included the provision of a cafeteria, including all equipment and locker and change rooms, as well as the ‘beautification of site areas’. According to the Personnel Manager of the company, the most important benefit arising from its welfare policy was ‘the contribution made to attracting and retaining the desired workforce.’ He noted the reduction in labour turnover and absence, as well as the ease of recruitment. The rise in productivity was also partially credited to the attractive surroundings, safety and comfort on the job.

The provision of superior amenities was also aimed at producing a potentially more efficient worker. This was particularly the case with food services. The ACSI informed Australian employers in 1919 of the relation between good food, temperament, health, enjoyment of life, and output; ‘If health and physical conditions improve, if ailments due to indigestible or non-nutritive foods decrease, if fatigue and general sickness diminish, if the craving for alcohol is dulled, if the workers can eat at leisure, and have a full interval of rest, recreation, and change, then the restaurant has been a great success, and its own financial deficit will be more than wiped out by the increased virility and better work which will ensue.’ According to the Council, all these benefits would accrue from guaranteeing that the workers received at least one substantial, nutritious meal a day and was thus an essential part of welfare work.

The Government continued to promote the efficiency benefits of food services in the post-World War Two period. Photographs of food services in the Department of Labour and National Service lobby were accompanied by captions such as: ‘Calories, and Increased Energy: With men, women, and boys chatting with their friends round small tables, the meal break is obviously a pleasant occasion that will send them back to work refreshed.’ The proposal for the inclusion of a dining room and food service in the Tooth’s welfare building was also justified on these grounds. As was suggested in the meticulously
researched proposal: ‘The gain in the efficiency of the men due to proper feeding should more than justify its installation’.61

Thus, superior amenities were aimed at improving the quality and quantity of a company’s labour supply. On the one hand, they were a solid ‘selling point’ when attracting new employees, and could also assist in the retention of existing ones. On the other hand, the quality of the labour force could be improved through the provision of nutritious food services.

Managerial Prerogative

As with other forms of welfarism, superior amenities were designed to improve work effort and reduce worker resistance to managerial authority and efficiency goals. Indeed, during the Second World War, the Federal Government promoted superior amenities as a method of reducing absenteeism and increasing morale amongst a generally industrial inexperience and largely female munitions workforce. In offering assistance to the Chamber of Manufacturers in all Australian States in 1944 the Minister for Labour and National Service emphasised the ‘better craftsmanship and products’ to be obtained, as well as ‘more efficient methods, more harmony and less discontent and mental distraction’ from providing better working conditions and ‘a more comfortable and attractive environment.’ The Minister felt sure ‘that better canteen and food services, change rooms out of the weather, lockers and washing facilities make less lost time, more contentment and interest in one’s job.’62 This would therefore increase the ability of management to extract a high level of effort from labour, and minimise individual and collective resistance to managerial authority.

Indeed, the minimisation of union involvement was a key concern for employers when introducing superior amenities. The improvement of working conditions including amenities has always been a primary objective of trade unions. As noted in the overview, unions were central to the NSW Factory Welfare Board’s efforts to improve amenities in War-time industry. The provision of superior amenities could therefore reduce the role and relevance of trade unions at the workplace by removing a long standing grievance. However, while amongst organised workforces union influence could be minimised, as
Wright found, some Australian manufacturing enterprises used superior amenities as part of an overall attempt at union avoidance in the post-War period. These mainly small, foreign-owned companies sought to maintain their non-union status, or at least limit the impact of trade unions, through the provision of superior amenities and working conditions, along with wage incentives and over-award payments. As Wright notes, ‘Such benevolence, it was hoped, would not only improve management-employee relations, but also create within employees the perception that trade unionism was unnecessary to their immediate needs.’

A further way to increase contentment among the workforce was by making the factory more physically attractive. The beautification schemes of several factories were designed to create a ‘homelike’ atmosphere. Jacoby notes that in the US this was part of an effort ‘to recast the worker in a middle-class mold: uplifting him, bettering him, and making his family life more wholesome.’ As a result, companies sought to turn the workplace into a replica of the ideal middle-class home, placing potted plants around the factory’s interior, landscaping its grounds, and any other method to beautify the workplace surrounds. The ACSI also noted the ‘uplifting’ effects on worker attitudes. In a 1919 report it advised Australian industry that since workers spent so many of their waking hours in the workshop, and since the environment in which they worked had an unconscious or subconscious effect on them, an unclean or untidy factory would either offend or destroy their sense of decency and self respect. An unsightly workplace could have similar effects. Thus, according to the Council, while making the interior and surrounds of a factory as pleasant as possible was valuable as a means of advertisement, the test of its worth was the ‘effect on the taste and happiness of the employees.’

Manufacturers who employed a large number of women also attempted to convey the idea of a ‘home away from home’ in order to reduce the demoralising effects of industrial life and make the factory more habitable. Indeed, by creating a ‘cheerful’ atmosphere at the factory, employers of either gender hoped to improve the morale and contentment of workers, and thereby enhance work effort.

A number of Australian companies sought to beautify their factory interiors and surroundings during the period of welfarism. Cuckson and Son, for example, painted the factory in ‘pleasant and interesting colour schemes’, backgrounds in quiet pastel shades with work receptacles, doors and other details painted in bright reds, blues and greens. The wall of windows that ran the length of the department where most of the women worked
was curtained attractively, and in every department the larger wall areas were furnished with pictures. Chrysler Australia, provided a garden setting for its factory in Adelaide. Lawns and gardens were laid, many eucalypts already on site were retained and numerous other trees planted. The factory of James Miller and Co. in Gippsland, Victoria, was also beautified externally. The whole of the front was set out in gardens while the remainder of the property was planted with trees so that as they developed the factory would be surrounded by parklands. Inside the factory, all the machinery and walls were painted pale blue, presenting an attractive appearance and doing away with the gloomy atmosphere often associated with many factories.

Nevertheless, as noted by the ACSI, beautification schemes were also a method of advertisement, and this may have been the main motive for some employers spending money on improvements. Indeed, a number of companies such as Bradford Cotton would invite local groups and schools to visit the plant regularly and provide guided tours as part of their public relations policy. As with other forms of welfarism, beautification schemes were at times directed more towards cultivating public opinion in order to increase sales, rather than as a method of labour management.

In summary, superior amenities were designed to enhance managerial control over the workforce in a number of ways. They could boost morale, thereby reducing absenteeism and discontent. Superior amenities could also perform a similar role to over-award wages – they could reduce the relevance of unions amongst the workforce. The ‘uplifting’ value of factory beautification schemes could also boost the morale, self-image and contentment of workers, thus creating a labour force more willing to comply with managerial dictates.

**Characteristics of Schemes**

**Type of Amenities**

Gender played a role in determining the type of amenities provided by companies. Indeed, in 1944 the DLNS, through its photographic display, promoted the requirement for mirrors over the troughs for men but elsewhere for women to avoid congestion at this point. Before changing into street shoes and stockings, women were also said to like washing their feet in
foot-baths and required housed in cubicles whereas males simply needed open-fronted showers. In addition, women were sometimes in need of rest, requiring a lounge or chairs in ‘a cheerful corner’ under the supervision of a responsible woman. Meat was often added to the menu of male workers, and charged accordingly, while female workers were usually offered a vegetarian variety of food.

However, of more primary concern was the distance that workers lived from the plant. An establishment located in a metropolitan area close to restaurants and shops was less likely to gain as much from a cafeteria than one located in a more isolated setting. Similarly, lockers and change-rooms were of more value to workers in metropolitan areas travelling to work than to those in isolated or rural locations that lived in walking distance to the work site. Volkswagen Australasia, partially due to its ‘somewhat isolated’ location in Clayton, Victoria, provided banking facilities for its employees as well as a food service and kiosk selling small personal items. Free morning tea, and a subsidised hot meal service for shift workers and for all employees working overtime was also provided.

**Administration of Food Services**

According to the editor of *Manufacturing and Management* in 1947, management of canteens in Australian industry were of three main forms. Firstly, an outside caterer could be placed in control of the canteen. Secondly, the management of the canteen could be in the control of the company. Thirdly, management of the canteen could be placed in the control of a committee representative of employees and management. According to the editor of *Manufacturing and Management*, the first and third systems of control were more widely used in post-War Australia than direct management by the company.

Managerial prerogative over the operation of food services was more prevalent in the years prior to the Second World War. The increasing awareness of the need for employee involvement during the post-War period could be indicative of the need to foster support for the service when alternatives were increasingly common. However, as noted in the overview, the IWD also promoted model constitutions for Industrial Cafeteria Advisory Committees during the war ‘at a time when the factory cafeteria is spreading steadily through the industrial world, and workers are increasingly ready to take responsibility for matters affecting their general well-being.'
Nevertheless, efforts to involve workers were evident in some larger companies prior to the War. W.D. & H. O. Wills, for example hired a manager, Mr Dixon, to conduct the clerical and organising work of the factory food service, as well as a girl assistant and typists. This was in addition to the 21 cooking, serving and cleaning staff. Mr Dixon’s position was a dual one – he needed to satisfy both the management and the employees. Indeed, he was paid by management and was required to submit them a monthly balance sheet. However, to some extent he was under the direction of a committee of the delegates representing various sections of the employees. Any complaints regarding the quality and quantity of food were made to the branch delegate who would then convey it to Mr Dixon and, if necessary, bring it up at the committee meeting of the delegates. Thus, while essentially under the control of the company, workers were offered a voice in the running of the canteen.  

David Jones also made an attempt to offer employees control in Catering arrangements prior to the Second World War, but they were ‘unable to carry it on’. Likewise, in the post-War period Bradford Cotton set up canteen advisory committees when the service first started, but by the mid-1960s these had lapsed, leaving control wholly in the hands of the company. This was attributed to the advent of three-shift operations in some sections, and the consequent shorter meal breaks. The tendency by the mid-1960s was therefore to provide hot and cold ‘take away’ foods, soft drinks, ice-cream, confectionary and tobacco, rather than the hot meal served in the canteen.

Nevertheless, employee control over food services did increase in the post-War period. At Chrysler Australia, the Employees’ Canteen Society, an incorporated body consisting of wages employees, was responsible for all catering services. The Society appointed its own manager to administer all aspects of the Society’s operations, although the company was represented at all meetings to ensure compliance with company policy. This system may have followed an earlier lead by Australian Paper Manufacturers at Fairfield, near Sydney, in which the control of the canteen was the prerogative of the employees. In 1947 the Personnel Officer of Australian Paper Manufacturers reported that at its opening, the Managing Director, ‘in handing over the keys of the canteen, advised those present of the arrangement entered into between the company and the [works] committee, and informed the employees that this was their building to use and to control as they thought fit’.
The company provided the premises, the original capital equipment, light, power, gas and insurance, but all other cost such as wages of the canteen staff, maintenance of equipment, breakages, cartage, cost of supplies, cleaning, and purchase and installation of new equipment were met out of the revenue earned through sales to employees. The works committee subsequently decided issues such as the amount to be charged for the hire of the canteen, the conditions governing the consumption of alcohol during functions on canteen premises, and the fixing and adjustment of the wages and salaries of the canteen staff. The canteen operating committee, comprised of elected members of the works committee, were also active in interpreting the feelings of employees towards the canteen and subsequently advising the canteen manager on issues such as menus. While an example of a company offering employees a large degree of control and responsibility over their welfare amenities, the editor of *Manufacturing and Management* noted that, this experiment was unique in Australia. Further, as with the majority of welfare committees, canteen committees were designed to give workers a sense of participation without significantly altering managerial authority over the terms and conditions of employment.

**Labour Response**

The motivational value of superior amenities was contingent upon the workers’ attitudes towards such provisions. Amenities and working conditions, while leading to dissatisfaction when deemed inappropriate, do not necessarily lead to satisfaction if acceptable. This could explain why relatively few companies abandoned their welfare plans in the 1950s, particularly their amenities, despite the increase in labour supply. Rather than producing satisfaction and motivating people to perform well, companies were aware of the consequences if such superior provisions were not maintained.

This point is demonstrated in the case of canteens. To many managers, the operation of the works canteen posed constant problems. Complaints of poor service, bad food, high cost, and inadequate facilities for shift workers filtered up through the supervisory staff or came direct to the manager from union officials. Stop-work meetings and strikes on canteen matters were not uncommon in Australian industry. According to Bradford Cotton’s Company’s Group Personnel Manager, employees expected prepared meals to be priced
way below outside prices, and although employees were generally given notice of any proposed price increases, patronage always suffered a temporary decline.\textsuperscript{83} By the mid-1960s, the Personnel Manager felt that ‘amenities and provisions for employee welfare are taken for granted – by all levels of management and employees.’\textsuperscript{84} Thus, these provisions did not increase satisfaction, but rather produced conflict if workers’ felt their ‘rights’ were being violated.

Workers could also demonstrate resistance to employer attempts at industrial cooperation by rejecting the amenities provided for them. This was particularly the case when tension between workers and management over employment issues was high. The David Jones dining room in Sydney, for example, usually attracted fairly good patronage. However, following a strike during 1949, attendance was significantly reduced and there was an ‘inexplicable delay in getting back to normal’\textsuperscript{85} More directly, the workers of the roller-door manufacturers, Bernard Davidson Ltd. vandalised the company cafeteria, leading to their disciplining by the union.\textsuperscript{86}

In general, the patronage of canteens and formal dining areas demonstrated the value of the provision as a means of attracting and retaining employees, and of ensuring their cooperation. At Chrysler, patronage for the hot food service was around 30 per cent of the workforce, and for meals including cut lunches was 50 per cent. This, according to the personnel officer, was evidence of the ‘wisdom’ of the company’s decision to establish this amenity. Indeed, the decision to provide a hot meal service was taken against discouraging reports from other employers whose experience suggested little patronage would be expected.\textsuperscript{87} Bradford Cotton found that the hot meal canteens in both mills in Melbourne were losing fairly substantial amounts of money in 1946.\textsuperscript{88} The situation had not improved by 1966, the problem arising partially from the preference of workers to bring food from home or to eat away from the Mill.\textsuperscript{89} The large proportion of ‘New Australians’ employed by the company went someway to explaining this. Indeed, in 1957, 72.4\% of the total labour force at the Footscray Mill were in this category and generally preferred ‘their own type of food’.\textsuperscript{90}

Other problems encountered by companies in attracting patronage included the cost of meals bought from the canteen relative to the cost of meals brought from home, the length of time workers had to take meal breaks, and the desire of some workers to escape the factory grounds in their time off.\textsuperscript{91} In general, while some workers did enjoy the
benefits of the works canteen, management invariably experienced patronage much lower than desired.

Thus, due to their nature, the value of many superior amenities cannot be tested by the level of patronage. The evidence regarding food services, however, does suggest a significant degree of apathy amongst workers. Without an in-depth study into the industrial history of companies providing superior amenities, any conclusions must be tentative. However, overall it would appear that while superior amenities were important as a means of attracting labour, they did not significantly detract from worker loyalties to trade unions. The strength of unionism in Australia no doubt increased the confidence of workers to bargain over their terms and conditions of employment without risking the superior amenities they were provided. Indeed, overtime, these amenities found their way into industrial awards or agreements, and thus became rights rather than privileges.

**Conclusion**

While superior amenities could boost morale and reduce the relevance of unions, it was the labour shortages of the post-War period that induced a greater number of firms to use them as a selling point when advertising for labour. Following from War trends, the state played an important role in promoting these amenities to private industry. Superior food services, lockers and change rooms, showers and toilets became common in many larger establishments. However, by the mid-1960s washing and sanitary facilities and dining rooms were common provisions in Federal awards, and in some cases canteens were provided for. Thus, these amenities gradually became standardised in industry, reducing their voluntary nature and their value as a recruitment device.

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2 ibid.
3 ibid.
6 ibid, p.56.
8 Bank of NSW Archives, 82-26, 1105, Address by the General Manager, 17/4/51.
10 ibid, p.60.
11 ibid, p.61.
12 ibid, p.60.
13 ibid, p.61.
15 ibid.
19 ibid, p.186.
20 ibid.
23 Memorandum for Deputy Director, Dept. of War Organisation and Industry from Baxter, Director, IWD, 12/5/44, AA, Series SP 113/1, item 560/2/1.
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CHAPTER TEN

Conclusion

While Australian industrial relations research is focussing increasingly on the role of management at the workplace level, with the notable exception of Chris Wright, little work has been conducted on the historical development of workplace labour management. This research gap leads not only to false assumptions about past employer behaviour, but also to illusions of the uniqueness of contemporary management developments. The purpose of this thesis has been to broaden our understanding in both respects. On one level it challenges the view that Australian management has historically been a weak and reactive party within the industrial relations system. Rather, the strategic vision of some companies is demonstrated by the introduction of welfarism as a method of controlling the labour force and increasing output. On another level, the thesis adds a further framework for analysing contemporary labour management practice. In terms of both practice and ideology, welfarism represents one of several historical precedents to HRM and thus provides a valuable basis from which to inform and analyse contemporary debates. This conclusion reviews the development, extent and incidence of welfarism in Australia, highlighting the factors that encouraged and constrained its adoption, and the impact welfarism had on worker behaviour. The chapter then turns to contemporary debates over managerial strategy and demonstrates the historical significance of welfarism in terms of contemporary labour management practice.

Trends

A number of external pressures and influences proved to both encourage and constrain the spread of welfarism in Australian industry during the period of study. The original wave in popularity of welfare schemes occurred during the late nineteenth century, a time of high industrial tension fuelled by depressed economic conditions. Another surge of interest occurred between 1906 to 1914, a period in which employers were trying to increase productivity and control in the context of early compulsory arbitration and high labour turnover. Against the background of the 1917 general strike, a number of employers...
introduced welfare schemes or expanded existing ones in an attempt to reduce labour militancy and increase worker loyalty and dependence.

During the Second World War the federal Government played a crucial role in promoting welfarism as a way of reducing absenteeism and improving morale amongst an industrially inexperienced workforce, initiating an emergency training scheme for welfare officers who were subsequently employed in both public and private establishments. State advocacy for welfarism as a method to improve industrial efficiency and productivity continued in the immediate post-War period. This period witnessed rapid economic growth and an expansion in product demand. Labour markets became far tighter and employers were faced with a full employment economy in which workers and their unions had significantly greater bargaining power. This context saw a renewed focus on welfare provision in an attempt to attract and retain scarce workers, and to reduce labour militancy. At the same time, these contextual challenges prompted employers to expand the personnel function, a development again promoted by the state. The role of personnel officers was subsequently extended beyond traditional welfare provision to include formalised employment, induction and training procedures and financial incentive schemes. Thus, welfarism was gradually subsumed as part of the personnel management movement in post-War Australian industry.

Despite its adoption by a variety of companies, a number of economic, political and institutional factors limited the extent of welfarism in Australia. In terms of market forces, the generally underdeveloped nature of industry prior to the Second World War constrained the application of more innovative labour management strategies. The vast majority of enterprises were small-scale and entrepreneurs or the foreman relied on personal contact and simple forms of control - there was little need to develop a more formal and systematic approach to labour management. Indeed, as Mauldon found in 1931, only seventy-six private establishments in Australia had organised welfare schemes.

The political and institutional context further constrained the application of welfarism. In general, the high degree of state intervention in the Australian economy and industrial relations limited the field of experiment in the voluntary provision of welfare in three main ways. First, relative to its US counterparts the Australian Government was more interested in legislating on factory conditions, and as the law advanced, it necessarily impinged on the sphere of welfare work. Secondly, between 1900 and 1965, a significant
number of statutes were passed at the federal and state levels relating to social security. This provided an alternative source of need-satisfaction, and thus reduced the value of welfarism as a labour control strategy. Finally, the arbitration system had the effect of regulating employment conditions, making them a necessity of industry through awards and agreements. Indeed, the range of welfare benefits and services included in awards increased steadily throughout the period.

The high degree of state intervention was fuelled by a relatively well-organised labour movement in Australia. By successfully forming the Labor Party, Australian trade unions had a political channel through which to pursue their policy of achieving wide-scale welfare by both legislation and the arbitration system. Employers as a whole recognised that the labour movement would take its own steps to advance welfare provision, and expected that any gain in one part of the field would be standardised for industry generally. Thus, they were cautious of overstepping one another in welfare provision in case it would be exploited by organised labour.

Incidence
Despite the general trends of external pressures and influences, the adoption of welfarism was far from uniform across Australian industry and generally occurred in a piecemeal and varied fashion. A number of factors can be identified as affecting the incidence of welfarism. First, the size of the firm was a determining factor. Mauldon’s 1931 survey found that while only seventy-six private establishments in Australia had welfare schemes, because of the size of most of the firms, the aggregate number of employees affected totalled about 40,000. Indeed, approximately two thirds of the companies had a payroll upwards of 300, large by the period’s standards, and one third of the enterprises employed over 1000 workers. Post-War evidence tends to support these trends, as does evidence from the public sector where large-scale enterprises such as the NSW Government Railways were leaders in the field. In other words, while some small companies did experiment with welfarism, it was generally introduced by larger organisations seeking new ways to manage a growing workforce, and that had the financial resources to experiment.

Secondly, the overseas influence is evident in the incidence of welfarism in Australia. A number of the firms that adopted the strategy were subsidiaries of foreign multinational corporations who would import welfare practices to their Australian firms.
The influence of overseas company directors is also noteworthy, particularly in the case of the metalliferous mining and smelting industry. Thirdly, industry differences are important in explaining the incidence of welfarism. While Mauldon found schemes of significance in a wide range of industries, welfarism was most common in clothing manufacturing and retail. These industries employed a large proportion of female workers, suggesting a link between gender and welfare provision. However, the most extensive and elaborate schemes in private industry covering the largest number of employees were found in sugar refining, metalliferous mining and smelting, and agricultural machinery undertakings, predominantly male industries. Further, in the group of enterprises employing less than 1000 workers, the ratio of welfare provision was roughly four to one in favour of males. Thus, the nature of industry was more significant in determining the incidence of welfarism than was workforce composition. The lead taken by public enterprise such as the NSW Government Railways in the provision of welfare lends weight to this conclusion.

**Impact**

It is difficult to measure the impact of welfarism in dollars and cents. Very few employers abandoned or reduced welfare provisions once established except on economic grounds related to company performance. This suggests that employers were enjoying some benefits from welfare provision. Employers themselves generally claimed that their schemes had been fully justified by the results. A reduction in labour turnover was commonly reported as a result of welfarism, as was an increase in the workforce’s ‘esprit de corps’ and industrial peace. Considering that the majority of Australian workplaces were organised to some extent, this highlights the fact that consent and class consciousness can coexist.

While in the US most welfare capitalists had a strong anti-union agenda, Australian employers often measured the success of welfarism against its ability to solve problems of labour scarcity and to increase work effort. While the minimisation of union influence and activity was a key goal of many companies, given the strength of organised labour in Australia, and state support for trade unions through compulsory arbitration, the complete eradication of unionism was an unlikely objective. As a result, labour response was far more subdued than in the US. While the more militant unions sometimes responded with hostility, the majority of unions cautiously accepted welfare schemes, while at the same
time supporting the wider objective of organised labour – that of wide-scale welfare through legislation and awards.

A key factor relating to the acceptance or tolerance of welfarism by the majority of unionists was the administrative arrangements governing the schemes. In general, welfare schemes were administered by joint committees or councils consisting of workers and management. While in few instances union officials were members of these committees, more frequently it was the shop-floor unionists on the committees that provided the avenue for union involvement. These co-operative councils were set up for the administration of the welfare schemes alone and did not offer workers or their unions any additional control over wages and working conditions. As Eklund notes, these committees represented a ‘façade of consultation’. They gave workers a sense of participation without significantly altering management authority. However, in doing so, management reportedly forged a better relationship with workers and unions.

The co-operative arrangements associated with the majority of welfare schemes tended to enhance the level of employee participation. Indeed, there is evidence of unionists supporting welfare schemes despite the contrary advice of union officials. Nevertheless, worker response to the welfare policies of employers is mixed. While at times they responded with enthusiasm, many employees demonstrated a level of apathy. In either case, welfare schemes did not automatically insure against strikes. While they could foster a more co-operative relationship between workers and management, and reduce industrial tension, conflict over the profit/wages split and control of work effort often prevailed.

As Fox contends, welfare schemes were ‘an afterthought grafted on to the steely outlines of the modern bureaucratic work structure, within which rank-and-file employees, pursuing their highly subdivided, low-discretion roles, were subjected to elaborate mechanisms of supervision, inspection and control; were far removed from the centres of power, responsibility and important decision-making; and were conscious of being used for other men’s purposes which they had no share in formulating’. Indeed, welfarism in Australia was often introduced simultaneously with such low trust approaches at the level of work relations. In organised workplaces, this invariably created conflict as workers sought more control over the labour process through collective action. As Edwards has argued, welfarism failed because it did not deal with the fundamental issue of power within the firm. To redirect the workers’ loyalty from their peers to the company, employers
needed something that reformed relations in the workplace itself. For this, welfarism was too peripheral to be effective.\(^9\)

The level of apathy also suggests that Australian workers generally preferred to take charge of their own lives. As Mauldon noted in 1931, ‘Even when not openly hostile to the good intentions of such experiments, the Australian worker is often not a little incalculable in his attitudes. Willing to accept the paternalism of the state, he maintains a traditional dislike of patronage from a private employer’.\(^10\) This is supported by the decline of employee interest in traditional welfare provisions in the post-War period as alternatives became more common. Given the option, the majority of workers preferred to claim their independence rather than rely on the welfare of the company.

**Implications for Contemporary Debates**

Any examination of the extent and nature of contemporary change and developments in labour management practice must be assessed against past behaviour and ideas. Overseas scholars often adopt a progressive view of employer practice, outlining a gradual process of development throughout history from the simple control of the 1890s to the bureaucratic and strategic approach of managers today. However, despite the development of an increasingly formalised and systematic structure of labour management within many Australian enterprises, Wright’s research reveals a number of limitations in assuming such a steady evolution in employer practice. First, he provides significant evidence that Australian employers have adopted a cyclical approach to labour management. For example, the contemporary interest in employee involvement clearly follows a similar path to the industrial democracy movement of the 1970s, the use of joint consultation in the 1940s and 1950s, and experiments in Whitleyism during the 1920s. Similarly, the current trend of performance-related pay closely resembles the pre and post-war employer interest in payment-by-results and profit sharing.\(^11\)

In terms of welfarism, recent attempts to promote a common-interest culture through the provision of superior amenities and corporate propaganda mimics this earlier tradition. Indeed, management literature stresses the role of various employee benefits in ‘soft’ HRM, an approach which emphasises long-term commitment between the company and its employees. However, consistent adherence to the ‘soft’ version of HRM can come under pressure as demonstrated by the attempts of employers such as IBM and Hewlett
Packard to reconcile the objectives of labour being both dependable and disposable during the 1980s. Such problems are as evident now as during the period of welfarism.

Contemporary employers have also used employee participation schemes in their efforts to create a common-interest culture. The objectives of such schemes clearly echo the earlier notion of welfarism, as demonstrated by the comments of one general manager:

First and foremost it’s communication, and the works council works wonderfully well as a means of communication. Through communication we get better understanding, and better understanding leads to a greater level of tolerance. Once you have achieved that, you get acceptance, and instead of having a ‘we’ and ‘they’ attitude, it is simply an ‘us’ feeling. That engenders a wonderful family feeling in the organisation.

However, research demonstrates that these schemes have resulted in little to no change in the distribution of power within the enterprise. Indeed, despite an increase in the use of employee involvement techniques, data collected from the Australian Workplace Industrial Relations Survey (AWIRS) indicates that, as has occurred historically, only a minority of private sector workplaces made use of more formal methods of communication, the majority relying on meetings, daily walk arounds, or the typically welfarist methods of newsletters and social functions. Thus, just as welfarism was inherently flawed by not dealing with the issue of power within the organisation, many contemporary enterprises are destined to repeat the same mistakes.

A second problem with broad generalisations of the historical evolution of labour management practice is the uneven pattern of Australian employer behaviour. A major theme to emerge from Wright’s work is the significant variation between and within firms in their approaches to labour management. In terms of welfarism, such variations were noted between and within industries, and were sometimes determined by business size, ownership and financial status. Such differences remain an issue in contemporary Australian industry, the adoption of HRM, new production concepts and enterprise bargaining occurring primarily amongst large manufacturing and service organisations. The role of foreign multinationals in importing new approaches has also continued with the adoption of new production concepts such as ‘Just In Time’ and quality management by a variety of Japanese and American companies. Indeed, Japanese companies such as Yazaki...
continue to demonstrate the importance of employee benefits and services to gain worker loyalty and commitment.\textsuperscript{15}

Thus, while contemporary accounts of management practice in Australia portray the employer as increasingly strategy-minded and proactive, historical analysis questions such a vision. Indeed, Australian labour management has historically involved the introduction of various strategies aimed at enhancing managerial control over the workforce in order to achieve worker loyalty and commitment to organisational goals. Despite differences between high and low trust approaches, labour management strategies in Australia have primarily been based upon a unitarist vision of the enterprise. In recent years many employers have sought to re-assert their unilateral right to manage their workforce without outside interference. This requires control over a resource that is unpredictable and fundamentally independent. Whether the ‘new’ approaches to labour management can more effectively balance the contradictions of capitalism is yet to be established, but these attempts could be well informed by examining the past innovations of Australian employers.

1 See Wright, \textit{Management of Labour}, chapter 2.
3 ibid, p.183.
4 ibid, p.185.
5 ibid, p.187.
6 This point is noted in the Canadian context by Sangster, ‘The Softball Solution’, p.172.
8 Fox, \textit{Man Mismanagement}, p.59.
10 Mauldon, ‘Co-operation and Welfare in Industry’, p.183
13 Wright, \textit{The Management of Labour}, p.144
14 ibid, p.146
15 ibid, p.150
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