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CHAPTER 5

GOVERNMENT AND THE LIVING WAGE

The spectacle of labour and capital, in their different ways and for different objectives, turning so unhesitatingly to government aid is fully consistent with past practices rooted in the history and character of nineteenth century Australian society. From the earliest years, governments had taken or had been given a very positive role in the conduct of social relationships and in the process of economic development. Although economic, social and political changes of the fifties brought fundamental changes in the structure of the economy and in political relationships, the role of government was not diminished - only changed. From the fifties there emerged a two sector economy in which public and private enterprise were of approximately equal size, were of equal importance, and were complementary. 2 Whilst it is clear the growth of private enterprise was accompanied by important socio-economic groups adopting attitudes and policies reminiscent of the laissez faire

J.B. Brigden, 'Tariff Policy and its Effects on Australian Development' in <u>Studies in Australian</u>
Affairs, Edit., Persia Campbell, 1928, pp.78-9; also Butlin, <u>Colonial Socialism</u>..., p.37.

Ibid., p.38.

doctrine, reliance on governments to provide vital services for the rapid development of capitalist enterprises caused them to modify ideologically motivated policies to accord with economic reality. Thus throughout the decades of prosperity, government machinery was continually activated to serve sectional interests. 1

In industrial relations the methods of direct control attempted by government before the gold era2 were inappropriate to a society wherein 'a pattern of partnership between government and private institutions, was developed. Neither were they much in demand. Labour market conditions favoured a high and rising real wage level. Individual and collective bargaining strength lay with the employed. developing trade union movement operated in a favourable economic environment and only infrequently was in need of government assistance - and this primarily to re-stimulate the economy, to mop up temporary unemployment rather than to counter-balance employers' industrial power. Employers, though at a disadvantage for most years, did not subscribe to a political ideology which tolerated government's regulating relationships between themselves and their employees.

Ibid., also supra, pp.300-1.

N.G. Butlin, Colonial Socialism..., p.37.

Ibid., p.27.

Prior to the nineties then, the two major interest groups directly concerned refrained from seeking the aid of governments to regulate wages. This does not mean that government policies had no effect on the wage level. The reverse is true. Undertaking large and increasing programmes of capital formation, especially railway building, governments became 'the largest employer of labour...with important influences on wages and working conditions. 1 It may have been that government responses to occasional economic recessions implied an acceptance of some loose commitment to maintain employment opportunities and even more loosely a general living standard, but it would be an exaggeration to suggest that any consistent or systematic pressure was exerted on government to guarantee a minimum standard of living for all. the nineties a section of the labour movement may have adopted this as an objective of its politico-economic policy, 3 but not the labour movement in general and certainly not any other major interest group. Mostly governments' influence on wages and the general wage level though highly important, was strictly a byproduct of investment policies. Able to attract

P.N. Lamb. 'The Financing of Government Expenditure in N.S.W. 1856-1900'. Ph.D. thesis, A.N.U., 1963, p.69.

Ibid., p.74.

C.M.H. Clark, Select Documents in Australian History, Sydney 1955, p.603.

overseas investment capital, colonial governments undertook ambitious programmes of public capital formation which required large amounts of labour, particularly 'an army of unskilled labourers'. Though part matching the inflow of capital with extensive immigration, labour remained scarce. Not concerned with product competition, profit and loss, or other commercial considerations, governments paid a wage necessary to attract what labour was available regardless of the ramifications of such a wage policy on other enterprises. If governments accepted any obligation at all it was to maintain 'full employment' and this may have at times meant accelerating public works expenditure to offset reduced activities in the private sector. ²

The magnitude of economic depression in the nineties, the inability to continue to attract British capital investment and the stage reached in the development of economic thought, severely limited government action to take anti-depression measures. Subjected to intense pressure by the labour movement and other politico-economic groups, government's role changed from providing economic conditions within which high wages were earned, to one of attempting, in very

Butlin, Colonial Socialism..., p.31.

For two differing views of the intention and effect of government anti-depression policies see Butlin, Colonial Socialism..., pp.45-6 and Lamb, op. cit., pp.73-4.

disadvantageous circumstances, to invoke its direct authority to lift the reduced wage level back to the standard of the eighties. From the mid-nineties the more important colonial governments accepted responsibility to guarantee a set standard of living; but only for those employed on public works.

Yet the long and noisy campaign directed at government acted to fix public debate on the conditions experienced by unskilled labourers. Debate on wages was conducted increasingly on whether and how to provide unskilled workers with a social-welfare wage, and by, or soon after, the turn of the century the principle as applied to government and municipal authorities was mostly uncontroverted. The seven shillings a day standard was established. Nothing, however, would induce government itself to impose a similar standard on private employers. The practical application of the Living Wage - reflecting predepression standards - stopped short at government Industrial tribunals were left with the far more complex and controversial problems of refining the principle for application to the private sector.

Public Works Contractors

The importance of government as an entrepeneur during the construction period meant that some of the developing unions had to deal with them as employers. Unions quite early adopted the technique of enlisting the aid of parliamentarians sympathetic to labour's

interests. In 1859 for instance, the Victorian Legislative Assembly was asked by Charles Jardine Don - 'the Worker's Champion' - to ensure 'that all future Government contracts should be let on the understanding that eight hours shall be considered a day's work', a measure finally accepted in 1870. It is significant that during this period of high and rising real wages, claims for shorter hours of work took precedence over those for improvements in wages. Spence stated this order of priorities most clearly:

I do not think there is any great change desired as regards wages, but there is a general change desired arising from the feeling about shortening hours. There seems to be a tendency in men's minds to move in the direction of some other change rather than on the question of wages. 5

This fundamental policy objective, kept alive during the nineties, was pressed strongly again in the

¹ Gollan, Radical & Working Class..., p.75.
2 Ibid.
3 Coghlan, op. cit., Vol. II, pp.711, 736, 1094; Philipp, Trade Union Organisation, pp.25-6; Fry, op. cit., pp.213, 224, 227, 238.
4 R/C Strikes, op. cit., Q1835.
5 Ibid., Q1836.

1900s, when unions tirelessly agitated for a universal eight hour day. 1

By the close of the 1870s, the unions had added the minimum wage provision to their demands on government. When, in 1879, 'trade being dull advantage was taken by contractors to secure cheap labour through the system of sub-letting their work...' a 'stand' was taken by the building trade. By devious means the building unions produced a 'mass of evidence' of such malpractices and persuaded the Acting Chief Secretary to rigidly enforce 'the twentysixth clause of the general conditions of contract'. It was then claimed that 'the standard rate of wages was maintained by the building trades and the eight hour system which had been infringed, was restored to its normal provisions'. 3

Although there is less information of the movement in N.S.W. before 1891 it is recorded that

...the late Mr James Fletcher, when he was Minister of Works, settled it [a wages dispute] in two or three lines. He ordered tenders for locomotives to be endorsed,

See T. & L.C. and T.H.C. Minutes and labour papers for frequent references to Eight Hours processions and demonstrations, deputations to government and pressures on labour politicians to sponsor Eight Hours Billsin Parliament.

History of Capital and Labour, p.150.

Ibid., p.151.

"eight hours a day, and pay the ruling rate of wages".1

During the first half of the nineties, general economic conditions caused wages to fall. And those employed on what public works were undertaken were not exempted. Wage earners directly employed by government departments may have been less seriously affected than the generality of labour, but the same was not true for men employed on contract work.

Numerous reports in parliaments, press comments and trade union protests indicate the developing of a market in public works' contracts as expenditure was severely pruned. This process of 'original' tenderers' competition forcing down prices and then wages, was compounded by the successful contractors hiving off substantial parts of the work to sub-contractors some of whom did likewise. Even in 1890 this practice was developing. Thus it was 'very common practice for contracts to be sub-let and sub-let portions have been sub-let over and over again until it has come down to the individual man trying to get wages out of it'. Almost certainly the practice was used more as contract work became scarcer.

Royal Comm. on Strikes, Q9795.

Royal Comm. on Strikes, Q11283.

See examples quoted in N.S.W. Parliamentary debate, June 1896 (Parl. Deb., Vol. 82, pp.592-610) and October 1897 (Parl. Deb., Vol. 90, pp.3559-81).

Because of the highly labour intensive nature of nineteenth century public works construction, cost economies fell most heavily on wages. Conceivably some of the very low rates quoted in parliamentary debates and the newspapers were exaggerations. But given the persistence of high and chronic unemployment, reports of men working for 1/10, \frac{1}{2}/-\frac{2}{2} \text{ or } 3/-\frac{3}{2} \text{ a day were probably not entirely fictitious. The generality of instances cited in these sources indicate a level of wages paid by contractors of from 4/- to 5/- a day, and this for very irregular work. Whilst lowered house rents and retail prices in the early and mid nineties partly offset the severity of this fall in money wages, the worst effects were probably felt when prices rose again in the last third of the decade.

Organised labour responded to government contractors reducing wages in two main ways: the first to control the contractors, both the wages they paid and their increasing disposition to sub-let, and secondly to dispose of them entirely, or wherever possible. Industrial and political labour espoused these policies continually in the nineties and through into the next decade until satisfactory safeguards were provided.

N.S.W. Parl. Deb. First Session, Vol. 82, 1896, p.607.

Age, 20 October 1893.

N.S.W. Parl, Deb. First Session, Vol. 82, 1896, p.595.

Establishing governmental control over contractors was obviously the more immediate problem. Though earlier, unsuccessful representations to contractors to maintain the 7/- standard had 'by 1890 convinced the N.S.W. T. & L.C. of the need for removing of government contracting by Departments and the organising of construction work proposals themselves', 1 government departments were clearly not organised, not equipped, and not prepared to conduct such major constructional work, especially in the more remote areas. Thus whilst maintaining the demand for 'day labour', most effort was made to control rather than dispose of the contractors.

General trade union policy was laid down in 1888 when it was agreed 'that a clause be inserted in all Government contracts providing that the current rate of wages shall be paid by successful tenderers'. After 1890 this demand was ceaseless. An ambiguously worded resolution forwarded by the Melbourne T.H.C. set the tone for the subsequent campaign

That a deputation wait on the Premier to impress upon him the necessity of inserting a clause in all government contracts making it a condition...for all contractors to pay

Nairn, op. cit., p.120.

Fifth Inter-Colonial T.U. Congress, Brisbane, March 1888, Report, p.101.

the council rate of wages paid in the Colony. 1

Following up this approach unionists operated at three levels (or exerted pressure at three points): by repeated deputations to Premiers and government officials; by public demonstrations to rally public opinion; and by briefing Labour or Liberal Protectionist Members to raise the question in parliaments. Contractors were reviled for themselves paying low wages, and even more bitterly so for subletting to others who paid even lower wages. Adherence to the pre-nineties high wage standard which was to be a guide for unionists' thinking for 20 years was exemplified by another resolution of the T.H.C. which, after expressing regret for the government reducing wages and increasing hours, urged

the Government to strictly adhere to the eight hour system and to pay 7 shillings per day to the men employed and that the gentlemen of the Labor Party...to use their influence and urge upon the government to strictly adhere to the eight hours principle with seven shillings a day.²

T.H.C. 28 February 1890. It was the practice of Public Works Departments and Government Statisticians to ask the labour councils for lists of union rates. These were, in turn, collected from the unions and became known as 'Council' rates. During the 1890s it was considered 'injudicious to give the information asked for', e.g. T.H.C. 14 September 1893.

T.H.C., 3 June 1892.

To ensure that not only wages for the unskilled were safeguarded, the T.H.C. pressed also 'that a clause be inserted in Government contracts providing for the payment of Union rates'. The continued pressure exerted by the trade unions, was supplemented by the support of the A.N.A. in which influential individuals such as Peacock, Deakin and Higgins were active. Their 1894 Annual Conference for instance unanimously resolved

... that it is absolutely imperative that municipalities and government bodies generally should fix a minimum wage for labour employed by them directly or indirectly, and that the minimum rate be fixed at a rate sufficient to enable the employers (sic) to provide reasonable comforts for themselves and their families.²

In 1895, satisfaction was expressed over the minimum wage being affirmed by the Victorian Parliament. 3

In the parliamentary scene, wage clauses in government contracts were first discussed in Victoria in October 1893. In June 1894 Trenwith acting as the delegated spokesman of the T.H.C. proposed 'in order to prevent "sweating" in connexion with Government

Ibid., also 24 February 1893, 1 September 1893.

J. Hutson, Penal Colony to Penal Power, A.E.U. Publication, Sydney 1966, p.48. See also Vic. Parl. Deb. Session 1894, Vol. 74, p.290.

Hutson, op. cit.

Vic. Parl. Deb., Vol. 73, p.2425 et seq.

contracts it is the duty of the Government to specify a minimum wage to be paid in connexion with all contracts let by the Public Works and Railway Departments!. 1

Drawing on examples from English municipal authorities' regulating wages, Trenwith asserted,

...in many cases [men] were working for wages insufficient to provide a decent living for themselves without considering their families at all, and it was desirable that the State...being as it was in this country a very large employer of labour, should set an example with reference to the duty of employers in connexion with all work of the State.²

while the most vigorous advocates of this policy undoubtedly were Labour members closely connected with the T.H.C., Liberal Protectionists echoed the humanitarian aspects of a minimum wage, thus 'the workers should have a rate of payment which would enable them to maintain themselves and their families in decent comfort. Most members either supported the proposition or refrained from comment, and even direct opposition was couched in terms of the time being unpropitious 'There were a large number of persons seeking for work and unable to find it, and it would be injudicious under those circumstances to fix a minimum

Ibid., Vol. 74, p.288.

Ibid., p.289.

³ Ibid., p.297.

rate of wage'. Significantly the Patterson
Government declined to accept the motion only on the
ground that 'the Government were practically doing what
the honourable member for Richmond was asking them to
do'. 2

Support came from the most unexpected quarters. Describing the proposal as a 'liberal measure' one member asserted there

...were honourable members who had been opposed on every occasion by the TradesHall and who had yet always tried to do what they could to assist in getting a minimum rate of wages fixed in the interest of the working classes.³

The Patterson Government's unwillingness to 'accept the obligation of telling contractors what to pay their employees' temporarily delayed the measure's acceptance. However, in January 1895, after the installation of the Turner Government (incidentally more dependent on the Labour Party for parliamentary support), the Victorian Legislative Assembly accepted Trenwith's proposal without dissent.⁵

Ibid., p.299.

Ibid., p.298.

[]] [Ibid., p.300.

Ibid., p.298.

Vic. Parl. Deb. 1894-5, Vol. 76, pp.1768-91: also T.H.C. 18 January 1895 for expression of the Council's gratitude to Trenwith for his diligent work in Parliament on the unions' behalf.

Meanwhile, a parallel movement in N.S.W. had succeeded in obtaining a similar measure in 1894. in Victoria, Labour spokesmen were prominent in debate. McGowan (later the first Labour Premier of the State) urged that 'a man should receive 7s a day - I refer to the unskilled artisan (sic). E.W. O'Sullivan (later Minister of Works in the Lyne Government), believed 'the State is the largest employer of labour, and it is taken as a criterion by other employers! and added, !we have no right to put men on a rate of wage so low that they cannot live decently with their wives and families. A minimum of 7s a day would not be too high even for the labouring man....² In September 1894 the Secretary of State for Public Works confirmed he had fordered the contractors [to] pay the current rate of wages and that customary hours [should] be observed. 3 (This was thirteen years before the Harvester Judgment).

Opposition was again muted, either because of general concurrence to the motion or for reasons of political expediency. Only Dr Hollis challenged the sanguinity of Labour and Liberal members! belief that

N.S.W. Parl. Deb. First Session, Vol. 73, Session 1894-5, p.1622.

Ibid., p.1623.

Ibid., p.1615: for 'schedule of minimum rates for ordinary workmen for an eight hour day' see Coghlan, op. cit., Vol. IV, p.2027. The labourer's rate ('Workmen not included') was 6/- a day 'within Sydney and Newcastle' and 5/- a day 'outside these areas'.

private employers would fall into line by contending 'it is not within the power of the Minister to go against those laws which govern the rate of wages and which will operate in spite of him with all his patronage at his command.

Once approved, Victorian and N.S.W. governments generally adhered to the imposition of a minimum wage and an eight hour day. The unions very closely policed the arrangement. Wherever a case of non-observance was raised, representations were promptly made to the appropriate Minister, usually with satisfactory results. 2 After the short-lived boom of 1899-1901, the Victorian government particularly, attempted some relaxation of minimum wage enforcement. Throughout 1902, 1903 and 1904, Ministers of State refused to receive deputations from the T.H.C. protesting against retrenchment policies lowering wages and the more frequent infringements of government regulation by contractors. For example, the Bent government, no longer dependent on Labour's parliamentary support, announced the man inside the fence [government work] will not get more than the man outside.4

Ibid., p.1624.

E.g. Worker, 11 November 1897, T.H.C. 19 August 1898, 21 May 1901, Tocsin, 18 August 1898, T. & L.C. 4 September 1902, 19 May 1903.

See T.H.C. & T. & L.C. Minutes various dates 1902-4, also Q.W., 6 June 1903.

Tocsin, 13 October 1904.

After 1905 and for two years before the Harvester Judgment, protests of non-enforcement declined, presumably because rising economic conditions increased governments' revenues, whilst the growth of the U.P.L.S. together with greater vigilence by government departments and the fear of extensions of the day labour system kept contractors more in line.

Probably taking a line from Victoria and New South Wales, unionists in other colonies/States sought minimum wages for government work. Most interesting is the case of Queensland where experience exemplifies the cost of that colony's labour movement's refusal to co-operate with other political groupings to obtain social-welfare legislation. As early as 1897 the most innocuous motion 'that contractors shall pay according to wages paid for similar work in the district in which the work was being carried out' was rejected out of hand. In 1900, despite renewed demands by both industrial and political labour 'that every adult employed by the State shall be paid a living wage...and

For West. Australia, see West. Aust. Parl. Deb., Vol. XII, New Series, 16 June to 25 August 1898, pp.899-900; Votes and Proceedings, 64, Session 1900, Vol. II, p.A9; Parl. Deb. XXII, 21 October to 20 December 1902, p.1758; for South Australia see Parl. Deb. 1893, Vol. 1, pp.1647-54: 1898-9, pp.690-2: 1899, p.261: 1900, pp.124-5, 591: 1901, pp.5, 18, 33, 44, 55, 294, 535: 1905, pp.96, 343, 636: 1906, pp.51, 142, 202-6, 332-6, 342, 423-30: 1907, pp.10, 36, 50, 86, 96, 263.

Queensland Parl, Deb. Vol. LXXVII, 1897, p.532.

this rule to be extended to government contracts, the government would not be so persuaded. No provision whatever was made for any government work until 1906 - parliament giving its formal endorsement the next year.

Illustrative of the central importance attached by labour to a minimum (Living) wage for government work was their promptness in raising the matter in the First Commonwealth Parliament. Liberal Protectionists and Labour members combined to sponsor a motion 'that in the opinion of the House it is the duty of the Government to make provision in all its contracts for the payment of a minimum rate of wages and fixing the maximum number of hours of labour'.

The first time the Commonwealth Parliament debated public servants' salaries, the same combination of members pressed Barton to raise the proposed wage for 'lowly clerks' to 'the minimum wage which has become so common throughout Australia....' The Labour spokesman claimed '...that for a grown man the minimum wage of 7s

Q.W., 10 October 1900, 1 December 1900, 19 January 1901, Worker, 25 August 1900,

 $[\]underline{S.M.H.}$, 31 January 1906, $\underline{Q.W.}$, 17 February 1906.

Queensland Parl. Deb. XCIX, 1907, p.498.

Commonwealth of Australia, Parl. Deb. Session 1901-2, First Session of the First Parliament, Vol. 1, p.826. 5
Ibid., Vol. II, p.1549.

per day...is certainly not too much for the Commonwealth to pay! 1 to which Lyne added 'I do not suppose there is a man in Australia, even the rankest conservative, who would contend that 7s a day is too high a minimum wage for an able-bodied man...! 2 The increase was endorsed without dissent. 3

At different times then, colonial, State and Commonwealth parliaments were induced to make some provision to raise wages paid for government work. Whilst the payment of union rates for craftsmen was frequently mentioned, most attention was given to the unskilled and the Living Wage. Already the specific terms of these provisions strongly resembled Higgins' subsequent judgment.

Municipal Councils

It is important, however, to appreciate that not all non-private enterprise work was done by central governments. Equally important to labour was to regulate wages paid by municipal councils and public enterprises such as State railways and metropolitan water works.

¹ Ibid. 2 Ibid., p.1975. 3 Ibid., p.1982.

For the growth of municipality public capital formation see N.G. Butlin, Colonial Socialism..., p.38.

Influencing the municipalities was less straightforward than central government. Whereas direct representatives in parliaments, manipulating the balance power between rival non-labour parties, and the strong bargaining weapon of protection were useful ploys for achieving States' works' minimum wage regulations, these factors hardly ever applied in municipal government affairs. The scarcity of revenue may have added to their difficulties. Declining to pass out public works finance to local authorities in 1900, the N.S.W. Secretary for Public Works presaged the lowering of the minimum wage to 5/- a day if this were done 'because most of the municipalities are in a state verging on insolvency and the rate of wage they pay is far below the Living Wage!. 1 It is unlikely local government finances were any healthier earlier in the nineties.

Little is known about whether trade unionists individually or collectively contested municipal elections in the early or mid nineties in any systematic way. Probably they did not. The choice of priorities or alternatives may have determined that effort be concentrated on colonial/State and later Commonwealth politics. For the first two thirds of the nineties efforts were made to persuade non-Labour councils to provide for a minimum wage. In March 1893 the T.H.C. appointed a deputation 'to wait on the

N.S.W. Parl. Deb., Vol. 103, 1900, p.918.

different municipal councils in the Melbourne district to urge that Trade Union rates of wages shall be made standard for all day labour and contracting. Apparently this approach, like an earlier one. 2 was unrewarding, for in June trade unionists were urged to 'question prospective candidates for municipal election to obtain a pledge to adopt the standard rate of wages recognised by the Union. 3 Supplemented by 'monster meetings', protests and deputations, 4 this timehonoured technique of electoral bribery was the main means by which the labour movement tried to persuade the municipalities to pay the Living Wage. In July 1894, for instance, the T.H.C. decided to 'support only those candidates for the coming municipal elections who were pledged to support the Minimum Wage clause, i.e. 6/8 per day for unskilled labourers and tradesmen's rates for all skilled workers'. The next year, all affiliated unions were again instructed to vote only

T.H.C., 24 March 1893.

Tbid., 31 July 1891.

Ibid., 30 June 1893.

Ibid., 14 September 1893, 24 November 1893, 2 February 1894, 22 February 1895, <u>Tocsin</u>, 6 January 1898.

T.H.C., 27 July 1894. For an even earlier example see the Melbourne Typographical Society's Report of the Board of Management, Half Yearly Report, June 1893 in A.T.J., Vol. XXIV, No. 278, p.2389.

for candidates pledged to the minimum wage clause, ¹ and in 1897, candidates were to be asked if they favoured all work to be done by the council and did they support the eight hours principle and a <u>Living Wage</u> in all contracts. ²

In 1898 there are reports of labour moving into municipal politics, believing 'one of the most important effects of the activity of Labour will be that the other candidates will also climb down a little in order to partially neutralise the "other fellows" tactics. Result - a decided leavening of the council in the way we want'. A fortnight later the Tocsin could report 'Last week for the first time, practically, in the history of this colony [Victoria], an effort was made to secure the return of labour representatives to the municipal councils'. This expansion into local authority politics was probably a direct result of

T.H.C., 22 February 1895 and again 8 March 1895, 21 June 1895.

T.H.C., 17 December 1897.

Tocsin, 18 August 1898. For similar statement of intention see A.W.U. Annual Report February 1899, viz. 'The establishment of a minimum wage and the abolition of the contract system for municipal work are two examples of the many reforms in the interest of labor which we could at once accomplish by the capture of the municipalities....'

Tocsin, 1 September 1898.

experience in the previous seven years in trying to persuade councils to introduce a legal minimum Living Wage.

It is not easy to estimate the effect of the unions' actions. Continually instances were quoted of councils paying wages lower than those paid by central government departments. In 1897 for example, councillors were interviewed by officers of the T.H.C. to insist that wages paid for contracted scavenger work be raised from 5/- to the government's minimum of 6/8 per day. Yet by early 1898, on the occasion of the City Council fixing a minimum wage for street cleaning, the T.H.C. in thanking councillors responsible, congratulated themselves on their success 'after many years of agitation'. In the same year, Richmond fixed a minimum of 6/- per day for lamp lighting - the lowliest of jobs - and in October 1900, Melbourne Municipal Council finally inserted a minimum wage clause in their contracts: 'Not from choice, but simply because of the big organised Labour vote which is commencing to dump bad aldermen out of office and put its own men in. 4 This ultimate political solution

Ibid., 30 December 1897.

T.H.C., 5 March 1898. Before the street cleaners' contract came up for renewal, wages were said to have been 'disgraceful', T.H.C., 26 November 1897.

Tocsin, 22 December 1898.

Worker, 6 October 1900.

may have been of very wide coverage, for by November 1901 it was reported that all the large municipal councils were observing the minimum wages from 6/6 to 7/- a day for unskilled labourers. (It is significant that, anticipating Higgins, union concern was not merely for 'labourers' but for all adult males, however lowly their occupation. This concern may have been limited to government work where the unemployment—through-high-wages was considered unimportant or even irrelevant).

The final device fashioned by labour to force councils to comply was to make State grants conditional on providing for minimum wage clauses, thus:
'Principally through the representations...made by members of the Labor Party when the estimates are under consideration in the Legislative Assembly it has been decided that municipalities which receive Government Subsidies for public works shall pay the minimum wage on them....' The rates so prescribed included (in 1910) 'ordinary labourers 7s', 2

Brunswick 7/-, Collingwood 7/-, Footscray 7/-, Essendon 7/-, Hawthorne 6/6, Kew 7/-, Northcote 7/-, Melbourne 6/8, Port Melbourne 7/-, Richmond 6/8, Prahran 6/6, South Melbourne 7/-, St. Kilda 6/6, Williamstown 6/6, Melbourne City 7/-, Tocsin, 7 November 1901.

Worker, 6 January 1910.

Public Enterprises and Other Government Contractors

Whilst it took anything from five to fifteen years to persuade central and local government authorities to accept the principle and to implement the policy of minimum wage clauses, even more protracted was the campaign to induce public enterprises to follow suit. Large employers of labour, State railways and metropolitan water boards were obvious targets for labour's attention. Furthermore, when shortage of revenue forced governments to retrench on expenditure, labour costs were one important source of economising. Hence, from 1891 the disinclination of Railway Commissioners always to observe union rates and the Living Wage of 7/- for the unskilled prompted the same round of deputations, demonstrations, questions in parliaments that characterised the campaign in the central and local government spheres. There was, however, a totally different set of circumstances to consider. Public enterprises were required to operate on a commercial basis and normal business criteria were to apply to policy decisions including wage costs. This basic dilemma (for unionists anxious to apply the same wage criteria to railways as had been applied to government departments) was expressed by the Victorian Minister of Railways in January 1896. In reply to a T.H.C. deputation complaining of reduced wages, it was stated that the Commission was 'bound by Order in

T.H.C., 11 December 1891,

Council (Richardson's Regrading Scheme)...whereby wages should always be paid out of earnings' and this requirement was compared with public works projects where 'jobs were paid out of loan money'.

This problem was basic to and conditioned the degree of success attending labour's campaign for raising railwaymen's wages. It was not fully resolved until rising revenue after 1906 enabled public enterprises to level their wage standard to that of governments.

Meanwhile, repeated representations to Ministers and occasionally to Railway Commissioners were mostly unrewarding. There seems to be little doubt that at times governments were sympathetic (in the non-emotional sense of the word) and were, exceptionally, moved to find some way round the basic problem stated. For example, when in 1899 strong protests were made about the Railway Commissioners' advertisement for fitters, quoting wage rates of 8/- a day compared with the government rate of 10/-, the Premier of Victoria suggested 'he himself would pay out of the Consolidated Revenue as the Commissioner of Railways would not give way'. This drastic measure, one which would almost certainly have started a considerable controversy in

Ibid., 11 January 1896.

T.H.C., 5 May 1899. For similar proposal by Lyne in N.S.W., see N.S.W. Parl. Deb., Vol. 107, pp.4743-4.

Parliament, was not needed. Such was the growing bargaining power of the A.S.E. that a deputation to the Railways Commission was assured all engineers would be paid the union rate. 1 However, not the combined moral suasion of the government and the T.H.C. could do the same 'for labourers who had no increase...and were wishful of earning 6/8d a day as their minimum. 2 Apparently, railway labourers' wages at the time were '5s a day rising to 6/6 after thirteen years' a wage described by the Victorian Railways Daily Paid Employees Union as 'insufficient to keep himself and his family in decency. 4 Following a further spate of protests, the Secretary of the Victorian Railways refused to see a joint deputation of the T.H.C. and the V.R.D.P.E.U. 'as he considered that representations should be made by employees direct and not through the medium of a third party. 6 In 1906 Labour parliamentarians were still trying to pin down Railway Commissioners to pay the Living Wage, thus: 'That in the opinion of this House the sum of 7s per day should

T.H.C., 25 July 1899.

2
 Ibid.

3
 <u>Tocsin</u>, 22 September 1898.

4
 Ibid., 29 September 1898.

5
 T.H.C., 21 December 1900, 11 January 1901, 22 February 1901, 21 May 1901.

6
 T.H.C., 24 May 1891.

be paid to all railway employees over the age of 21 years'. Protesting that wages of the unskilled were not moving upward in line with rising prosperity, a Labour member submitted: '...it is always the duty of the Government to protect those who are the weakest and the most poorly paid'. (Here Mr Solly put his finger on the two matters of social concern which, in the 1900s, were central to the emergence of the Living Wage concept: that the State had a positive obligation to safeguard the living standard of the most vulnerable members of society, and that standard should be based on the high level of the 1880s. Linked with this and making the comparison more marked, was the 'injustice' of rising incomes for other, better placed groups in society whilst because of the continuing abundance of unskilled labour, wages for this occupational group lagged behind).

In N.S.W. the pattern of response was similar to Victorian experience. Despite numerous representations, the Railways Commission would not grant the T. & L.C.'s demand for the government's living wage of 7/-, amaintaining instead that they 'were gradually improving the conditions of their employees as the merit of the

Vic. Parl. Deb. Session 1906, Vol. 113, p.1348.

Tbid.

T. & L.C., 23 May 1900.

case demanded. Parliamentary labour's endeavours were equally unavailing. The motion 'that it is the opinion of this House that the minimum rate of wages for railway and tramway employees and police should be 7/- a day', after a desultory debate was allowed to lapse.

Strong resistance to intervention in the commercial affairs of public enterprises is confirmed by the attitudes adopted by other authorities. Attempts to make the Melbourne Metropolitan Water Board and the Sydney Water and Sewerage Board to insert minimum wage clauses in contracts were unsuccessful, the latter rejecting the concept of the Living Wage stating contractors never paid their labourers less than 7/- a day if they are worth it 5

Governments' attitudes to imposing minimum wage obligations in contracts let to private enterprises is obscure and somewhat contradictory. Levering on its political influence, industrial and political labour tried to extend the imposition of a minimum wage clause to most areas of economic activity where governments

Ibid.

Ibid., 25 October 1900.
2
N.S.W. Parl. Deb. second series, Session 1902, Vol. IX,
p.5191.
3
 Tocsin, 14 September 1905.
4
S.M.H., 1 November 1906.

had some measure of control. In 1895 a deputation from 'the Bootmakers Society and of the Labor Members as can make it [waited] upon the Premier' to protest against the Defence Department omitting 'the minimum wage clause from its contract for the supply of boots'. The Premier 'agreed to include the clause'. Later that year he agreed to insert the Minimum Wage clause in coal contracts. Four years later, after union pressures 'for some months', the government issued a contract to an Australian firm for pilot steamers provided the contractor would enter into an agreement to pay the Minimum Wage. This despite the 'Colonial tender [being] several thousand pounds higher than the English one'.

Even more ambitiously, the <u>Tocsin</u> urged the Government to insert the clause 'in every agricultural and grazing lease' adding 'The system of labor covenants has worked well...in the case of mining leases and there is not the faintest reason why they should not be attached to every agricultural one', 6

¹T.H.C., 19 April 1895.
2
Ibid., 3 May 1895.
3
Ibid., 4 October 1895, 11 October 1895.
4
Ibid., 14 April 1899.
5
Ibid.
6
16 June 1898, also 18 October 1900.

By 1900 the N.S.W. Government was induced to attach a minimum wage clause to the contract for 100,000 tons of steel rails, whilst in the same year it was reported in the N.S.W. Parliament that 'In Victoria...the Government has extended the principle [minimum wage] to all Government contracts...., Examples given included contracting for candles, hours shall not exceed 48 per week and every such person shall be paid at a minimum wage of not less than £2.5.0 per week. Other industries covered were meat, milk and clothing. These provisions were probably exceptional. In 1905 the T.H.C. was still passing resolutions 'urging the need for passing a Minimum Wage clause in all government contracts!

Apparently the N.S.W. government was even less accommodating. Having asked if tenderers for the supply of tobacco to government institutions paid the minimum wage of 7/- per day, 5 the T. & L.C. followed up by requesting the Public Service Board 'that in future all tenders accepted by such Board should have

N.R. Wills, Economic Development of the Australian Iron and Steel Industry, Sydney, 1948, p.46.

N.S.W. Votes and Proceedings Session 1900, Vol. 6, p.921.

Ibid., also Vic. Royal Comm. 1902-3..., p.374.

T.H.C., 29 August 1905.

T. & L.C., 12 July 1900.

provisions made for the payment of Trade Union rates and the minimum wage clause as obtains in contracts accepted by the Public Works Department.

This sally into the preserves of private industry seems to have been fruitless. After 'the Premier and Treasurer' had drawn Council's attention to the 'extreme difficulty if not impracticability of applying any machinery to ensure enforcement in contracts under the control of the Tender Board of payment of Trade rates and the minimum wage', this line of action appears to have been abandoned. E.W. O'Sullivan's statement of policy 'I enforced day labour on Government works. I did not go into the private domain' seems to confirm the N.S.W. government's refusal to intervene in private enterprise.

Although less clear in Victoria than N.S.W. there appears to have been a dichotomy of thought and policy on the question of governments acting to guarantee a Living Wage. Where government work was concerned, the social-welfare principle could be applied. Conversely, even when governments were parties to contracts and presumably could have made them conditional on paying the Living Wage, if commercial and business considerations were involved, the most severe pressure

Ibid., 2 August 1900.

Ibid., 11 October 1900.

Mansfield, Australian Democrat..., p.225.

from labour could not induce the authorities to intervene. To evade the issue was often difficult, and even politically embarrassing, but the lack of success in lifting unskilled railwaymen's wage to that of other government employees is testimony of this general proposition.

Such obduracy was accounted for in part by nonlabour governments' unwillingness to sully their basic political philosophy by imposing radical control measures over private firms. More tangible, possibly, was the attitude of other social groups to varying degrees of intervention. Opposition to government itself paying a minimum wage as such was rarely heard although the standard set however, was frequently criticised - principally by rural employers, Pastoralists bitterly attacked the Lyne (N.S.W.) Government's action raising the Living Wage to 7/thereby, it was charged, causing a shortage of labour in rural areas, handicapping the pastoralists and farmers. Ruefully, the pastoralist added 'Milkers prefer seven shillings a day and the Government stroke to the monotony of country labour at £1 a week and their keep!,2

Pastoralists' Review, Vol. 1.0, p.621 and p.766; Vol. II, pp.165, 277, 688.

Ibid., p.825, see also N.S.W. Parl. Deb., Vol. 103, 1900, pp.934-5. For labour comment see \underline{Q} .W., 9 February 1901, 29 June 1901.

Other employers passed little comment. Currently (1900-1) Private employers paid craftsmen the union rates and were little affected by governments doing Similarly it was apparent that government likewise. work was not absorbing all the surplus unskilled, and employers therefore need not alter their wage policy for this grade of labour. So long as their own immediate labour supply interests were not affected, they had little real objection to governments and contractors paying 7/- a day. They need not object nor did they. When, however, there were signs of the principle spilling over into the private sector, resistance was probably strong: strong enough to cause employers to influence governments against such a proliferation.

Labour and Government Contracts

economic groups most interested worked to involve government in halting the downward drift of wages and to restore at the earliest moment the 7/- standard of the eighties. The campaign was one fashioned to secure immediate objects. When central and local government Public Works Departments reduced wages, pressures were exerted to reverse the movement. When contractors did likewise and worsened conditions further by sub-letting the emphasis of protest shifted to minimum wage clauses, forbidding sub-letting and to 'Day labour'. And when railway and other public and private

enterprises resorted to wage reductions it was logical for labour to try to bring political pressure to bear on wage policy makers.

Whilst this line of action was consistent with the firmly established practice of relying on government to support group interests it equally well reflects labour's essentially pragmatic approach to social and economic problems. They dealt with each problem as it arose, choosing the method which appeared at the time to yield the quickest and best results.

It is necessary, however, to ask what was labour trying to achieve? Were they aware of the extent to which government had unintentionally operated as a wage leader before the depression and hoped to make this a more purposive and accepted function of the state? Or did those most closely concerned believe wages in the public sector had fallen farther than in private enterprise and worked for a levelling up process? In effect, was government meant to give a lead, to set an example: or to follow, or keep up with private employers?

From the information available these two stands of thought are almost inextricably entwined. Leading labour spokesmen seem to have advocated both policies at the same time. This is probably because early in the period such 'double talk' in fact made good sense. Literary evidence suggests that wages paid by government contractors may have fallen even more than in private industry — in general, though, there were

probably exceptions to the rule. In 1892-5
unemployment was extremely high and men seem to have
been thankful to take even a few days work at the very
low wages. And as has been suggested, some contractors
and sub-contractors could operate profitably only if
wages were reduced drastically. Though there is no
reason to suppose private enterprise employers were
slow to bring wage costs into line with changed
conditions in the labour market, possibly the greater
continuity of employment in non-government contract
work placed a slightly high minimum for wage payments.
Speculative as this assumption is, it may be useful as
a starting point to understand this aspect of labour
policy.

By far the most frequent demand of the nineties was for government and government contractors to pay 'the rate of wages current in the district at the time'. This was the directive issued to contractors in N.S.W. in September 1894. The wages section of all contracts was to be left blank to be completed each separately, stipulating 'the rate paid by employers in the city or town nearest to the work for which tenders are invited'. Confirming that this regulation

N.S.W. Parl. Deb. Vol. 73, p.1624: Comm, Parl, Deb. 1901-2, Vol. II, p.1817.

N.S.W. Parl. Deb. Vol. 73, Session 1894-5, p.1615. 3
Ibid., p.1618.

accorded with labour's wishes the Minister claimed 'I have spoken to a great many men of the artisan class since this minute was drawn, and before it was drawn, and they are all perfectly satisfied with what I have done....'

In a later debate labour policy was more explicit. Answering objections to 'the powers of Government [being] used for the purposes of artificially elevating the rates of wages paid under Government contracts above the wages paid under private contracts' Labour spokesman A.H. Griffiths retorted 'no one asked for that'. J.C. Watson endorsed this view, and J.S.T. McGowen added, 'If private employers pay a certain wage for particular class of work the Government should pay the same wage for similar work. That is all this resolution asks'.

To level up rather than to lead seems to have been the general theme for most other colonies/States as well as the Commonwealth. The West Australian directive was so worded as was that issued by the Commonwealth Parliament in 1901. Even as late as

Ibid., see also Coghlan, op. cit., Vol. IV, p.2027.
2
N.S.W. Parl. Deb., Vol. 90, 1897, p.3574.
3

Ibid.

Ibid., p.3577.

Ibid.

1906-7 the Queensland directive read 'not less than the union rate of wages or where there is no union rate, the rate ruling in the district shall be paid'. For some reason, Victoria was the exception. From the start pressure both from the T.H.C. and in parliament was for a fixed minimum wage: thus it was 'the duty of government to specify a minimum wage....'

To be consistent with the proposition that the levelling up criterion reflected a greater wage fall in government contract work than elsewhere, the Victorian attitude would need to be explained perhaps by supposing this did not apply, or not to the same extent as in other colonies. Alternatively, because industrial and political relationships were closer in Victoria, labour felt more strongly that the government should in fact play a more positive role; or at least to state this belief more openly than was tactically wise in other colonies. Probably the latter explanation is more valid. For whereas, given higher unemployment in Victoria than N.S.W. it is not reasonable to postulate the difference between wages paid by contractors was proportionately less in the former colony than the latter, the difference in the degree of mutual interests between the two colonies was

Queensland Parl. Deb. 1907, Vol. XCIX, p.498.

Vic. Parl. Deb. Session 1894, Vol. 74, p.288,

quite striking and could have prompted Victorian labour to go more for 'wage leadership' than 'levelling up'.

Hence in Victoria the minimum wage demanded by labour and concurred in by other political groupings was fixed at 6/8 per day, even though as a dissident member claimed, 'The average wage outside is 30/- a week'. Again it was Trenwith who propounded the 'lead' principle: 'The Assembly had resolved that the State during a time of sweating or ruthless cutting down of wages should set the example of paying its servants at least a fair living minimum'. 2

Curiously, in N.S.W. the 'government should lead' principle was expressed chiefly by non-labour politicians. In the debate during which Griffiths, Watson and McGowan pressed only for the 'levelling up' principle, and categorically renounced the lead theory, G.H. Reid (Free Trade) held, 'every Government in this country ought...at least be prepared to set a good example to all other employers and that the Government standard should be the best in the community'. O'Sullivan (Protectionist) believed that roadmakers 'instead of...earning 4s. or 5s. a day we should do something to enable them to earn 7s. or 8s. a day'. Translating his beliefs into reality, it was

Vic, Parl. Deb. Session 1895-6, Vol. 79, p.4380.

[.] Ibid.

³ N.S.W. Parl. Deb. Vol. 90, 1897, p.3561. 4

Ibid., p.3570.

O'Sullivan (in 1900) who as Minister of Public Works in the Lyne Government 'fixed a minimum rate at 7s per day for labourers...because he believed that the previous rates of wage were insufficient to allow workmen to enjoy the ordinary comforts of life'. He is quoted as thinking 'good would result from the practice, because private employers would follow suit when times got better and work more plentiful'.

The Commonwealth provision most clearly reflects the socially ideal and politically practical. Sponsors of the minimum wage clause couched their plea in terms of that the minimum '...should be such as...will be an example to outside employers'; to 'set a higher standard of living for Australian working people'; and as 'the principle [to be] extended to the State employers, and to every employee throughout the length and breadth of the Commonwealth'. Yet as if in direct contradiction to this grand design, parliament accepted without dissent the amendment 'such rate of wages to be

Worker, 19 May 1900.

[~] Thia

Ibid.

Parl. Deb. Comm. of Aust. First Session of the First Parliament, Vol. 2, p.1813.

Ibid.

⁵ Ibid.

in accord with the ruling wage in the district in which the work is being carried out!, 1

This apparent inconsistency can be understood only if labour's main aim is kept in the centre of consideration. Most important was to get governments to act; to persuade them to intervene; to cajole them to accept obligation in wage matters; to add government authority to labour's diminished industrial strength; to use governmental machinery as a lever to raise wages in a large sector of economic activity; to end 'sweating' - always a pertinent example to private employers. Ambition was not limited. 'We know it will not be long before the minimum rate of wages will be the live question in every trade....² Contemporaries may not have thought it unreasonable that once the breakthrough was achieved, growing political influence might well have facilitated the extension of government control of wages to wider areas of private and quasiprivate industry. Hence the campaign to involve Railway Commissions, Water Boards, and private contractors. And the industries not amenable to this direct control were to be regulated by wages boards and industrial arbitration,

Of cardinal importance then was government commitment to labour's interests. In Victoria the

Ibid., p.1813-8.

Vic. Parl. Deb. Session 1895-6, Vol. 77, p.266.

ultimate aim of having government set a minimum living standard could be voiced and realised (for government work) with comparative promptness. In New South Wales relationships and sympathies were different and less direct methods were adopted. But the attitudes struck by labour activists in both States and later in the Commonwealth indicate a broad similarity of ambition -government support for a raised level of wages.

The Living Wage

The fall of all wages after 1891 caused labour to seek a dual commitment. Governments were asked to halt the decline of wages and restore union rates together with fixing an overall minimum wage. Frequently, precise reference to the latter requirement was omitted although the labourer's customary 7/- a day was included in the compendious term 'union rates'. Gradually, toward the end of the decade, the balance of emphasis moved decidedly to proclaim government's responsibility to support The Minimum Wage. this change was associated with another, a terminological one; one stressing the social-welfare character of the required provision. While money incomes and almost certainly real wage incomes, even of some of those in work, fell during the early and middle nineties, the observed 'plight' of the unskilled was most obvious. Very often their wages both in the public and private sectors fell below what Australian's considered was the minimum on which a man and his

family could live. Thus, although the term was not a new one 1 the Living Wage used in its literal sense moved into the centre of labour's wage policy.

This change from union rates to The Minimum Wage and then to the Living Wage also coincided with the at least part recovery of union rates of wages by craftsmen, a process almost completed by the turn of the century. Thus there was not the same urgency for using governmental power to impose conditions which the recovery of demand for tradesmen had already accomplished. However, wages of the unskilled still lagged and margins widened, a phenomenon that attracted considerable attention and sympathy.

In practice, the implementation of the 7/standard Living Wage went no farther than government
and government contracted work and some, probably a
majority, of those similarly employed by municipal
councils. Added to these were groups of unskilled
associated with organised craftsmen, e.g. the builders'
labourers, and for a while, during the temporary boom
of 1900-1, some of the mass unskilled unionists such as
the Sydney wharf workers. For most unskilled,
labourers and sub-labourers alike, wages remained
relatively low. Predictions expressed in parliaments

1

Infra, pp.410-1.

Positions may by then have been reversed by this time, see T.H.C., 16 December 1898, 24 February 1899.

throughout the nineties that raising government wages would set an example to private employers were no doubt true. They certainly set an example, but most private employers were not persuaded. Fierce intra-industry and international price competition was in itself enough to convince many that wage costs should be kept to the minimum. Far from voluntarily measuring up to the government standard, increases were strongly resisted. Those employers singled out to appear at wages board proceedings or arraigned before arbitration courts mostly pleaded inability to raise wages in general, and in particular to lift the wage of the lowest paid to accord with the government's 7/- standard.

It would be difficult to imagine labour activists seriously expecting any other attitude. Knowing the facts of industrial life, it is unlikely they placed much faith in private employers acting against their own immediate economic interests. To lift wages of the unskilled, coercion in one form or another had to be applied at every point of the occupational structure. Hence labour's two sided policy, developed to regulate wages in both main employment sectors of the economy. Direct governmental control of wages paid for their own and contracted work: compulsory industrial tribunals for the mass of private industry. Between the two, were railways and other public enterprises. For these labour first tried government's direct control method, and when not entirely successful, switched to bringing them to industrial tribunals.

The limited application of direct wage regulation does not mean its total influence was limited to government work. Just as anti-sweating campaigns and social pressures for industrial tribunals publicised and emphasised the need to raise incomes of the poorest paid wage earners, so also the continual public debate on government's role in this area of social control, its degree of social responsibility for lifting wages of the unskilled, contributed substantially to the emergence of the Living Wage concept. There was no better forum for public debate of this question than colonial, State, and Commonwealth parliaments. socio-economic groups were represented therein. A11 had some interest in wages. What is more, all had other 'vital interests' which caused them either to vigorously support labour's demands, or to tone down their objections.

Records of N.S.W., Victorian and Commonwealth parliamentary debates show this question of 'proper' or 'fair' wages to have been discussed regularly and at length in every session of parliament. Labour or other sympathetic members raised the question during debates on the estimates, on government servants' salaries, unemployment, government contracts, railway bills, and those of other public utilities, and most frequent of all, during debates on the adjournment and questions to Ministers. In fact, the question of wage incomes, especially those of the unskilled, was rarely absent from discussion. Moreover the debate was spread out to

the general public by the press's comprehensive reporting of parliamentary matters and of editorial comment on political affairs.

When the industrial tribunals began to operate in increasing numbers during the 1900s, they inherited a public debate of nearly a decade. Though continuing to press governments to regulate railwaymen's and others' wages, labour's main energy was channelled more into bringing private employment wage earners into line with those paid for government work. There, the seven shillings standard had been won, and apart from the Victorian government's aberration in 1903-5 there seems to have been little inclination to challenge the basic assumption on which it was based. Australian governments unequivocally accepted the responsibility to pay a Living Wage: they were agreed that the standard to be maintained should be that of the prosperous decade before the depression.

Not persuaded of the legitimacy of themselves directly regulating wages in the private sector, governments legislated for industrial tribunals to fix 'fair and reasonable' wages for non-government work. Yet over half a decade later, most private employers had chosen not to respond to the governments' lead, and State tribunals judged it best not to disregard possible economic consequences of indiscriminately raising the wages of all adult males to 7/- a day. In the Harvester Judgment, Higgins, whose participation in parliamentary debates for over a decade had made him

fully familiar with political and public opinion on the Living Wage, assumed the role of doing for the private sector what government had done for the public - to state a principle and act on it.

CHAPTER 6

STANDARD, MINIMUM, AND LIVING WAGES*

Entrusted with the job of ensuring 'fair and reasonable' wages in the private sector, State and Commonwealth tribunals were constantly urged to make explicit the principles on which wage decisions were based. It might be apposite before examining the Victorian and New South Wales experience to pause and outline the ideas current in Australian society in the years leading up to Harvester.

The terminology applied to wage principles by contemporaries is exceedingly confusing. Then, as now, interested parties and 'disinterested' commentators indulged in an adjectival spree, appending to the root

^{*} This thesis cannot add to the considerable literature concerning to fathom the intrinsic nature of 'wage justice'. For studies seeking to do so see:

J.N. Timbs, Towards Wage Justice by Judicial
Regulation - An Appreciation of Australia's Experience under Compulsory Arbitration, Louvain, 1963.

J.A. Ryan, A Living Wage - Its Ethical and Economic Aspects, London, 1906. J.H. Richardson, A Study on the Minimum Wage, London 1927. A.C. Pigou, Essays in Applied Economics, London 1924. H. Feis,
The Settlement of Wage Disputes, New York 1921.

J.W.F. Rowe, Wages in Theory and Practice, London 1928.
P. Sargent Florence, Industry and the State, London 1957. A.C. Pigou, Economics of Welfare, London 1948.

word 'wage' any expression likely to convey feelings or impress audiences. These adjectival embellishments may be classified under two main headings, the emotive or ethical, and the descriptive or utilitarian: the 'oughts' and the 'is's'. Appearing most frequently in the former category were 'just', 'decent', 'fair', 'proper', and 'reasonable'; and in the second, 'standard', 'economic', 'minimum', and eventually 'basic'. Somewhere between the two was the 'Living Wage', it having both ethical and descriptive connotations.

In the 1900s there seem to be almost as many views on wage justice as there were persons making use of the The 'fair' or 'decent' wage to some was unfair or 'indecent' to others; and judgments made reflected personal, familial, and social environmental conditioning, together with the political and economic interests of the expositors. Dealing with the one set of circumstances, what an employer considered 'reasonable', a trade unionist deemed 'fair', and an arbitrator thought 'just' may have been all very different. Each viewed the subject from a different angle, thought about it in the framework of his own system of values and priorities, and applied different criteria of decision. Each, then, decorated his conclusion with emotive and ethical frills to persuade either himself, his associates, the other side, or the arbitrator, of the 'justice' of his attitude.

The result was a confusion of 'criteria'. Perhaps the nearest to endowing emotive or ethical phrases with some substance are those concerned with 'society's' views on what was a 'fair' wage for unskilled work. For it is reasonable to believe that in Australia, 1895-1907, there developed a high degree of agreement on this one aspect of wage determination. It would be difficult to find any sizeable group who did not subscribe to the concept of a Living Wage for adult male workers. Motives for so doing differed as did ideas of the level the wage should be pitched, but few challenged the social desirability of there being some such minimum.

The object of this chapter, then, is to consider briefly changing attitudes to wages in Australia as influenced by economic forces and to sketch the evolution of the Living Wage concept. Attention is paid to the 'oughts' only where they are judged to make a positive contribution to attitudes and policies.

The Standard Wage

While terminology can mislead, it may also indicate certain basic industrial conditions, degrees of organisation, and social attitudes of the parties to wage bargaining. The term standard wage was used in the 1890s and 1900s to describe what was believed to have been the main wage fixing criterion observed earlier in the nineteenth century. Recalling the 'conference' system operated 'before industrial

regulation, the Secretary of the Master Builders, Association related,

wage, but the rate agreed upon was accepted as a standard wage and generally observed as such, though less competent [men] were occasionally paid a lower rate, and of course, specially good men were paid a higher rate. 1

When directed by the New South Wales Ministry of Works to pay 'set wages', building employers resolved to 'ask members to reach agreement with the workmen on a "standard rate".

A standard rate did not mean that every employer would have to pay the same rate. He could pay a man more if he thought he was worth it, or less if he thought he was not.³

In an earlier period when industry was more dispersed, antagonism between capital and labour less intense, trade unionism in its developmental stage, and individual prowess still highly rated, this more flexible arrangement may have been mutually acceptable to employers and employed. Particularly,

N.S.W. Royal Comm. on Labour, 1913, p.341.

Official Report of the Sixth Convention of the Federated Builders and Contractors Association of Australasia, 1900, Vol. 1, p.325.

[.] Ibid.

For British experience see Phelps-Brown, The Growth of British Industrial Relations..., pp.280-1.

craft conscious wage earners in this general period took personal proficiency as an important criterion to measure rewards for labour services and had scant sympathy for those not qualified to meet the full journeymen's standard. Yet given a shortage of tradesmen and the early stages of union organisation, the less competent may have been tolerated as part-qualified and therefore part-paid.

During the thirty years of labour shortage and national prosperity (1860-90), some employers probably became reconciled not merely to paying relatively high wages, but also to more uniform wages. This may have been distasteful, but not unbearably so. Australia's capital-intensive staple, primary industries were extremely productive² and made possible not only the sustaining of a high wage level, but perhaps encouraged a less doctrinaire attitude (by employers) to economising on wage costs of individual workmen. the same time, government as the largest employer of labour - especially of unskilled - needed to have small concern for wage costs so long as the flows of internal revenue and overseas capital funds were unchecked. wage structure of sheltered industries such as building and services was conditioned by internal cost factors.

See statement of this attitude by a leading trade unionist to the N.S.W. Royal Comm. on the Alleged Shortage of Labour...Report, p.xii.

Butlin, 'Long Run Trends...' pp.8-9.

As these were essential to social and economic development, and generally complemented basic industries, the wages of labour used were dictated by those paid by governments and primary producers. was less true for other sectors. Manufacturing and agriculture, both subject to international competition, could not so readily pay the high wage standard. South Wales manufacturing particularly was constantly troubled by cost problems, 1 which probably accounts for its relatively slow growth rate in the eighties.² may also explain why it was the manufacturers who were especially vocal on wage issues. Mostly, however, employers could afford to pay high wages and when cost problems were serious, industry either claimed special privileges (manufacturing-tariffs) or failed to develop (agriculture).

On the management side, uniformity of wages was not always unpopular, and could operate in favour of some important employers. Asked if it was 'any advantage to you to have a standard rate of wages', a wharfside employer replied: 'Certainly. How could we exist if there were a sliding scale of anyone's whim?' adding, 'if the scale is fixed you know what labour

N.G. Butlin, 'Colonial Socialism' , p.44.

Ibid., pp.68 and 74.

N.S.W. Royal Comm. on Strikes, Q.5162,

will cost¹ (and would cost competitors?). Uniformity also had its attraction for entrepreneurs in industries featuring a multiplicity of small masters, e.g., jobbing printing or building. As has been indicated earlier, one of employers' most intractable problems was 'stabilising competition': setting wage rates which producers should all pay. No different from employers elsewhere, the Australian variety sought freedom from interlopers undercutting the customary price level which enabled standard wages to be paid and customary profits earned.

The Minimum Wage

In some respects, however, the standard wage was an anarchronism. The practice of 'recognising' what was really the wage paid for average competency as a general guide for wage payment assumed attitudes to wages that were increasingly less appropriate in Australia from the mid-nineteenth century. Over time, the very 'standardisation' of the average or usual rate had the effect of inculcating the belief that such rates were 'proper', serious infringement of which was to be resisted. (This applied only to downward adjustments. When rising prosperity acted to lift the general wage level, upward adjustment in the rates was

Ibid., Q.5167.

² Supra, pp.285-9.

'reasonable'. Buyers of labour services might be expected to take precisely the opposite view, in the process, reversing the order of fairness and unfairness).

In effect, the more flexible standard wage conflicted with the main precepts of trade unionism. The element of discrimination implied in different wages for similar work ran counter to the principle of equality. If the union represented all workers in a particular craft or industry it was thought to represent them all equally - to secure the same working conditions for all. Thus, 'in the developmental stage of unionism the task was to abolish within a given area the multiplicity of rates paid for similar services by the application of one standard rate for each occupation, minor differences...being disregarded! In mid- and late nineteenth century Australia, this attitude seems to have been related to another precept of working class organisation, that of stressing the function of wages as income rather than as a cost of production. This led unionists to particularism. Whilst not neglecting the more general aspects of labour's interests, the tendency was to concentrate on wage conditions in particular crafts and trades; to press for improved conditions in particular industries. The logical extension of this policy was connivance

H. Feis, <u>Principles of Wage Settlement</u>, New York 1921, p.124.

with employers to raise and then fix prices. 1 In turn this caused unionists to adopt an apparently contradictory position on price fixing. In concert, unionists condemned price fixing, feeling their interests as consumers were endangered. Yet incomes were paid from the sale of particular products and it was believed prices should be regulated to eliminate the undercutters and permit improved working conditions for particular groups of wage earners.

Although employers more frequently related wage cost problems to wider economic and social conditions, they too were inclined to consider first the effect of wage adjustment on particular industries. But in contrast to unionists' attitudes, employers' overriding concern for profitability caused them to view wage payments primarily as costs of production. Concern was less for individual functionaries in industry, but for buying factors of production at the lowest possible price (consonant with minimising disharmony in

For examples of unions urging employers to combine and fix prices, see: Mining - Coghlan, op. cit., p.2043; Worker, 3 March 1900; S.M.H., 28 August 1907, 31 August 1907; Milk Carting, Worker, 9 August 1906; Printing, A.T.J., December 1906, p.5; Hagan, op. cit., p.237; Sawmilling - N.S.W. I.A.R., Vol. IV 1905, p.310; Wharf Labourers - T. & L.C., 9 January 1908; Bootmaking - R/C on Strikes, Q.19307; Sydney and Manly Ferries - Worker, 8 April 1905; General - Mansfield, Australian Democrat ..., p.83. For similar attitudes adopted by British trade unionists see Phelps-Brown, The Growth of British Industrial Relations..., pp.137-9.

industrial relations), to combine these in the most efficient manner, and sell the product in the most lucrative market. This fundamental criterion of judgment, while not always relegating individuals to secondary importance, set the focus of attention on objectives other than the personal welfare of the wage earners. 1

These different orders of priority generated the clash of interests so familiar in modern industrial societies. As the unit of production became larger and more complex, contact between employer and employed diminished. Employers, disillusioned by the practical inexpediences of uncontrolled price competition, devised means first to reduce friction between themselves in their business relationships, thereby ensuring for each the 'good [profitable] life', and secondly to present a common front to the more demanding trade unions. 2

Thus employers' decreasing concern for wage earners' personal welfare encouraged the more dogmatic advocacy of the theory and press for the practice of paying a man what he individually was worth. The employed, in combination, hardened their attitude to wage criteria – from the more flexible standard wage to a specific minimum payment for all men employed to give

Ibid., p.110.

² | Ibid., p.116.

certain defined labour services. In Marxist terms, the lines of demarcation between capital and labour were becoming more sharply drawn. 1

In nineteenth century Australian history it is difficult to nominate precisely the period when this change occurred. In some branches of industry such as coal-mining, conditions for polarisation may have been present almost from the middle of the century. Conversely, in some urban craft industries, relations between employer and employed possibly remained close until the end of the century, despite the growth of trade unionism. As a generalisation it might be held that the pronounced growth of unionism in the seventies presaged a movement that was to quicken in the eighties and reach its peak during the 'Maritime strike' of 1890. In these decades, too, there was a concomitant recognition of mutual interests among employers.

Given this pattern of development it might be reasonable to expect a heightening controversy on the two rival criteria to be applied to wage determination. Likely also would be the ascendency of one over the other according to the relative strength of the two parties to wage agreements. Scarcity of labour of most kinds gave wage earners the stronger say. Governments!

Ibid, p.109, also, B. Fitzpatrick, <u>The Australian</u> People, pp.201-2.

wage leadership, featuring a general wage of 7/- or 8/for unskilled labour, set a minimum other employers had
to match. For craftsmen, government wage leadership
may have been less important, but the growth of
unionism in this grade of labour buttressed the labour
scarcity factor, enabling craftsmen's organisations to
enforce trade union minima.

Employers may have had little option but to comply.

Mass unemployment of the nineties reversed labour market conditions, removed government from the role of effective wage leadership, and diverted some labour to less productive industries. The level of money wages as shown in Tables 1, 5 and 6, fell rapidly to 1896, recovering slowly thereafter until the return of heavy unemployment in 1902. Real wages continued to fall to 1898, thereafter rising to 1901. These estimates of average wages, besides grossly overstating the recovery of unskilled wages, fail to record the extent of worsened conditions for many individuals and groups. Wage incomes were probably more unevenly distributed. Above the mean there may have been a long range of higher rates containing a minority of wage earners, and in the lower ranges were the majority, many of whom received wage incomes of a very low order. Literary evidence points to the extent to which wages fell and the temporary disintegration of the pre-1890s wage

structure. In all respects, wage earners were powerless to resist general wage reductions; for the time being attempts to maintain union rates were abandoned. And for the unskilled in a wide range of occupations, wages slumped to a level where £1 to £1.10. O a week - where employment could be had - was commonplace. 3

In such conditions, employers were not only able to get labour at lower prices, but were released from the discipline of minimum union rates. Even the master builders who had earlier recognised standard wages, broke with practice and allowed members to pay according to market conditions. The standard rate was not reintroduced until 1900. Hence, whilst unions

For example, see T.H.C., 10 March 1893, 18 November 1898, 12 September 1899; Tocsin, 11 November 1897, 13 January 1898, 24 July 1898, 10 March 1898, 26 May 1905; N.S.W. Parl. Deb., Vol. 87, 1897, p.1097; T.H. Kewley, 'Social Services in Australia' (pamphlet), p.19; Worker, 26 May 1900; Q.W., 5 September 1903, 10 October 1903, 21 November 1903.

Supra, pp.102-3, also Sutcliffe, <u>Trade Union</u> Organisation..., p.80.

A Union Committee of Inquiry reported in 1899 that wages for unskilled work had settled at '15/- to 25/- a week' (Comm. Court, Federated Tanners and Leather Dressers Employees' Union, and Alderson and Co. (1914) Transcript, p.32).

Federated Master Builders' Assoc. of Australia Official Report of the Third Annual Conference, 1892, pp.166-71.

Ibid., Sixth Convention, October 1900, p.325.

were prostrate and individuals competed for work, employers were free to practice the theory that each unit of labour had its own price which could be estimated by reference to a rule of thumb calculation. If they chose and where it was feasible, employers could be selective who they employed and discriminating how much they paid various employees for doing broadly similar work, the main criterion applied being what did he, the employer, judge the man to be worth.

On the labour side, the concept of completely uniform minima for specific occupations was further consolidated. The commonly-held belief that commerce and business were to blame for mass unemployment and lowered wages, together with another that employers were unfeelingly exploiting labour, strengthened their adherence to the notion of inviolable minimum rates. Further, labour leaders were not to be diverted easily from their single-minded purpose by talk of the dangers of the minimum becoming the maximum. For one thing, while insisting on a uniform minimum, unionists rarely sponsored absolute uniformity of all wages. Observation and experience taught that when the labour market was tight, employer competition for scarce labour automatically lifted wages for the more competent. Perhaps more relevant was the inappropriateness of the minimum = maximum argument to prevailing industrial conditions. The immediate goal was to restore previous minima, not to worry about over-award payments.

Attitudes to Wage Principles in the 1900s

The central problem then for those working to improve wages during and after the worst years of unemployment was to re-establish uniform trade union rates where such could be prescribed and the setting of entirely new minima where no trade unions had existed. This led eventually to consolidate the minimum as 'fair and proper'. When political and economic strength made it possible it was these rates that were first solicited and then demanded. When, by administrative action, some colonial governments moved to regulate wages it was the product of pre-depression economic conditions, as formalised by the collective bargaining process, that was prescribed.

Thus, the late nineties, but more importantly the 1900s witnessed the conflict, conceptual and actual, of the different notions of how wages 'ought' to be determined. Unions pressed for uniform minimum rates for each industry based on pre-1890s standards as a good in its own right. Such an advocacy was almost axiomatic. The Australian standard of living of the seventies and eighties had become 'a state of civilisation that ought to exist at the present time'. Referring to the 'thirty years of almost uninterrupted rising prosperity', Fry suggests 'Rising standards of such duration [were] incorporated in the workers' way

N.S.W. Parl. Deb. (1896), Vol. 82, p.603.

of life and [became] the expected normal....During the eighties the Australian worker considered he was better off than any other working class....! Giving substance to this ideal was the notion mentioned earlier that wage earners were being deprived of a fair share of rising prosperity. In the late nineties this applied to tradesmen and non-tradesmen alike. For most of the next decade attention was directed more to the unskilled.

All through the period such a policy led labour to present and press wage claims in terms of capacity to pay. More than this, employers' protestations (genuine or otherwise) that low profitability precluded them paying what all agreed were socially desirable wages became a double-edged sword when the economy recovered. Unions argued with considerable cogency that just as in bad times wage earners were compelled to suffer lowered wages so they should share the benefit of better times. The logical extension of this line of reasoning was some form of profit sharing. This was precisely the labour movement's main argument in support of wage improvements in the mid 1900s.²

Arrived at pragmatically, such a policy was probably the most appropriate to economic and social

Fry, op. cit., p.340.

Worker, 1 February 1906; Argus, 3 April 1906; A.T.J., 1 July 1907; S.M.H., 5 July 1907, 2 August 1907.

conditions of the 1900s. A fair share of economic well-being struck a chord of sympathy both to the general public and arbitrators. Moreover, the test of profitability made provision for avoiding or at least safeguarding against adding to unemployment. Though highly sceptical of employers' pleas of lack of capacity to pay rates demanded, unions were frequently prepared to tone down claims, or even accept wage reductions when convinced of the veracity of employers' submissions. In 1887, for instance, building trade unions voluntarily accepted a 1/- a day wage reduction to maintain employment. The glass workers did the same in 1900. 2

As economic conditions declined after 1902, unions were again faced with the 'choice' of lowering wages or risking their jobs. A Victorian nailmaker contending with a lowered (Commonwealth) tariff related:

I therefore summon my men together...and having placed the position before them, I told them I was carrying my works on at a loss of £500 a year, and it looked as though I would be forced to give up. However, they all agreed to have their wages reduced, some as much as 12s. a week sooner than they should be deprived of a living.... I promised them that immediately the tariffs were revised satisfactorily, I would increase their wages to the old rate again.

Royal Comm. on Strikes..., QQ.9136-7.

T. & L.C., 1 March 1900.

Royal Comm. on the Tariff, 1906, p.2389.

Similarly in an iron rolling mill, men accepted a 20 per cent cut in wages (December 1903) and a further 5 per cent cut in 1904, to keep the business going and on being promised the restoration of the old rate if protection were secured. In the same year, the Glassworkers! Union voluntarily took a 15 per cent reduction of the 1903 registered agreement rate, as an alternative to 'closing the works', 2 and in 1905 cigar makers were reported to have been similarly persuaded to lower wages. 3 Again, the Eskbank Ironworkers! Association !took a wage cut, with little protest, when the works were foundering, 4 Asked in the Commonwealth Court 'If the employers could show that this high rate of wage will possibly tend to reduce employment...the unions would desire to reduce their claim', the Bootmakers' Federal Secretary affirmed: 'If they could show to our satisfaction, we would be prepared to withdraw it. 5

The fear of unemployment and willingness to accept lower wages if necessary was apparent at all levels of

Ibid., Q.85237.

[.] Ibid., p.1499.

Tocsin, 30 November 1905.

Hughes, 'Industrial Relations in the Australian Iron and Steel Industry, 1876-1962', Economic Record, 1962, $p_0\cdot 121$.

Comm, Court, Australian Bootmakers' Union v Whybrow and Others (1910), Transcript, p.606.

union organisation. Prominent in the T.H.C. proposals for amending the Factories Act was the stipulation that the Industrial Appeals Court should be empowered 'to increase the rate of wages when it is proved that the maintenance, scope of or employment in the industry is not affected by such an increase'.

Profit sharing was a concept ill favoured by employers. Asked how much of the profit workmen were entitled to, the President of the Master Builders Association thought, 'none of it if you pay them honestly and truly all the time. They risk nothing but the employer risks his all to do this work, and why should he not reap the benefit if there is any?' 3

T.H.C., 11 November 1904.

N.S.W. mine owners were the main exception, they preferring to fix wages on a sliding scale which implied that wages and profits, as determined by prices, should move together. Thus 'The [mine owners] were prepared to discuss and consider proposals put forward by the men. He was quite in agreement with the idea that the men should share in the benefits of the present profitable times'. President of the Managers' Association, Broken Hill. Report in the S.M.H., 11 October 1906. The miners' unions generally subscribed to the principle of a sliding scale, but like the British miners learned to appreciate the value of an absolute minimum wage. For British experience see

S. & B. Webb, History of Trade Unionism..., p.340 and E. Hobsbawm, 'Labour's Turning Point, 1880-1900', in History in the Making, Nineteenth Century, Vol. III, p.7.

^{&#}x27;Royal Comm. on Strikes...', Q.9211.

Whilst the idea of sharing the surplus of the industrial process with anyone other than the owners of capital was anathema to most employers, such a view was not usually stated so bluntly. More, responses were worded to answer the specific claim made by labour. The logic of claiming a share in prosperity was to accept, unprotestingly, reductions in wages when profits fell. Thus, disturbed by the one exception made by the New South Wales Court to its rule of disregarding claims based on profit sharing, the Employers' Federation of New South Wales questioned the major assumption this implied:

must have its inverse consideration also and when the profits of employers did not reach a certain standard they [employees] should be willing to accept a certain reduction in their wages.²

During the first case decided by the Federal Court the employers' advocate set the tone for all future cases: 'he did not want to go into any question of relative profits, but only into the character of the work, and the number and nature of the competition' continuing, 'it was impossible to separate profits and losses'. 3

Reports of the Federated Builders and Contractors Association of Australasia, Convention, 1904, p.44.

<u>S.M.H</u>., 22 June 1906.

Íbid., 16 November 1906.

A National Minimum Wage

It is reasonably clear that union demands for minimum rates of pay were directed explicitly to grades of work in individual industries. Possibly the most notable feature of trade union policy throughout the period up to and beyond Harvester is the conspicuous absence of demands for a <u>national</u> minimum wage. Claims for minima were commonplace, but these were intended to regulate conditions of work for specified groups of wage earners doing identifiable jobs. Accepting a resolution recommending 'the establishment of a minimum wage throughout Australia' delegates to the self-styled Inter-colonial Labour Conference were almost certainly thinking of separate minima for crafts and trades.

Though there are just a few exceptions to be cited,³ the concept of a national minimum wage as expounded by Higgins found scant favour with trade unionists. Possibly their objectives were in similar

Neither in the pre-Federation Inter-colonial trade union congresses nor in the Inter-State congresses after 1901 was the question of a national minimum wage considered. For an analysis of topic discussed at I.C.T.U.C.s see Philipp, 'Trade Union Organisation...', p.160.

Adelaide Advertiser, 6 September 1898.

See <u>Tocsin</u>, 2 October 1897, 24 March 1898, 24 January 1901, Q.W., 13 August 1903, Worker, 28 April 1900, 10 January 1907. Hutson, op. cit., p.48.

vein to those raised by Pigou who, assuming perfect competition, suggested:

... any national minimum wage would have to be put at a level appropriate to the lowest grade of ordinary worker...in the lowest grade of industry. Thus it would fail to protect from exploitation anyone of a grade better than this....It may happen that certain occupations are predominantly manned by an exceptionally slow type of unskilled labour; so that, say, the unskilled man one tenth of the way down the scale of capacity in one occupation corresponds to the unskilled man nine-tenths of the way down in another. Under a national minimum wage we should either have to make our minimum appropriate to workers who, from a general point of view are not ordinary, but 'slow' workers, or to exempt from it practically all, the unskilled workers in certain occupations.

Unionists were aware of the disparities of wages obtainable in different industries and judged it best to raise rates selectively and in accordance with some crude estimation of capacity to pay. They were fearful that gains to some may be forfeit if advocacy were couched in terms of a national minimum wage.

In 1898, the Victorian miners considered a motion proposing a 'national minimum scale of wages fixed by Act of Parliament for all persons employed on or about all mines'. This was defeated 'by a large majority' in terms of 'The minimum rate of wages has been a curse

Essays in Applied Economics, London 1924, p.69.

Annual Report of Conference, Victoria AMA 1898, p.39.

'generally used as a means of reducing wages....'

Seven years later the Sydney Labour Council discussed a motion 'that not less than 7/- per day was a living wage for an unskilled workman'. Leave to withdraw the motion 'owing to the hostility of delegates' being refused, the meeting eventually approved an amendment stating 'council only recognises a minimum wage, and leaves to the unions the fixing of the same'. Three years later, a prominent trade unionist and arbitration court advocate opposed a proposal for the Government to fix a minimum for all trades pointing out 'that it would decidedly mean the dragging down of wages to any minimum fixed'.

An insight into labour thinking is provided by the 'Grant' controversy in New South Wales. Secretary of the Political Labour League, J. Grant was reported as stating 'that he did not think that a minimum wage could at present [1904] be universally imposed', ⁵

Ibid.

T. & L.C., 24 August 1905.

³ Ibid.

J. Sutch, <u>Worker</u> report of T.H.C. debate on the difficulties of persuading the Victorian Government to set up wage boards for 'the masses of unskilled'. The extension of individual wages boards was preferred, 15 October 1908.

T. & L.C., 11 October 1904.

adding while there were non-unionists and unemployed a general minimum could not be enforced. Pressed for an explanation, Grant held 'that the average wages received would necessarily be less than the minimum fixed² and added later that 'the minimum wage when spread over all members of his society [stonemasons] and allowing for short time and periods of unemployment 'was something like 5/6 a day'. To seek legislation to implement nationally the 'ideal' wage of 7/- a day would be futile while the average yearly wage was 'so ridiculously lower than the [proposed] universal minimum. 4 Delegates to this series of Council meetings were reluctant to accept the force of Grant's logic though they seem to have mostly conceded the soundness of his premises. Some general uniformity of a minimum was thought desirable as a long term goal and this was demonstrated by the Council re-affirming their belief in 7/- as the minimum wage to be [ultimately] achieved.5

Unionists' coolness toward a national minimum wage was shared by employers, but for different reasons.

Given the option and allowing for the qualification mentioned earlier, employers generally were convinced of the justice of payment according to labour value to individual employers - and this being registered by the working of the forces of supply and demand. conviction was held in relation to the function of wage labour in particular business enterprises and with equal force to the national economy. In a slightly different context, C.H. Northcott labels this 'economic conservatism', 2 thus 'economic activity is governed by what they believe to be immutable laws interference with which tends to endanger private interests and social welfare. Attesting before Commissions of Inquiry, writing in journals, debating in parliaments, speaking through the editorials of conservative newspapers and under cross-examination in industrial arbitration hearings, when pressed to say on what principle wages should be fixed the answer was unvarying - according to the work value of the individual employee to the employer.

The principle was presented at the micro level as fairness to the worker: the 'shrewd and smart' workers were rewarded by high wages and given incentive to greater personal effort; the less able, or less

Ibid.

Supra, pp.384-8.

² <u>Australian Social Development</u>, New York, 1918, p.94, 3

willing, by payment commensurate with reduced productivity or limited voluntary effort. (Some employers untrammelled by union 'interference', implemented this principle to the ultimate, paying workmen of the same grade minutely different wage rates in accordance with what was believed to be the exact monetary difference of individual merit). In this way the firm prospered by maximizing the value of labour as a factor of production, and wage earners were recompensed in full for individual service - hence maximum efficiency plus maximum justice.

At the macro level, the principle was consistent with contemporary economic theory. 'Irksome labour demands mean a lack of employment and every wage earner and wage-earner's wife knows that as well as the most learned economist who ever lived. In their most forceful manner employers propounded the belief that higher wages other than those determined by the play of market forces, inevitably created unemployment and/or inflation, and generally militated against the best interests of the workers.

Such reasoning furnished employers with a traditional and plausible frame of reference, simplified for general consumption, endorsed by 'economic laws', establishing something of a general consensus which

Application of H.V. McKay, Transcript, p.572, 2
S.M.H. (ed), 3 September 1906.

assumed the garb of reasonableness and plain commonsense. It also summarily scotched the fundamental on which a national minimum wage was founded.

The peculiar labour market conditions permitting some employers to indulge themselves in practices of wage discrimination among men of minor differences in competency were reversed again as trade unions recovered or were reconstituted, and wage fixing tribunals adopted the principle of legal minima. as employers denounced the principle as running counter to the inexorable laws of supply and demand, as aggravating problems of unemployment and as being unfair to employer, employee, and society, the facts of industrial relations moulded their practical thinking on different lines. Hence, except where unions were weak or non-existent and wages boards or arbitration courts had not intervened, employers gradually became reconciled to paying specific wage rates for different categories of work. The adoption of this procedure was encouraged by the trend of economic recovery. tendency of money wages to rise, especially after 1906 (though not for the unskilled) proved legal minimum wages to be not the chimera employers dreaded. tradesmen particularly, rising prosperity was marked by a considerable wages drift - at least this was so in Victorian manufacturing where there is considerable statistical (Table 31) and literary evidence to support

Appendix 3.

TABLE 31

AVERAGE WEEKLY MONEY WAGE (ADULT) MALES VICTORIAN MANUFACTURING SPECIFIC INDUSTRIES 1910-14

	<u>Breweries</u>	<u>Brushmakers</u>	Butchers	Dress-Making	Jam. Pickle and Sauce	Boot Trade	<u>Leather and Fancy</u> <u>Goods</u>
1901	<u>38/5</u>	40/7	46/7		<u>34/-</u>	44/7	
1902	<u>42/1</u>	41/9	46/7		33/4	46/4	<u>38/5</u>
1903	44/4	42/10	47/-	<u>44/6</u>	36/4	46/11	46/8
1904	45/1	47/6	47/3	<u>45/3</u>	36/9	47/5	48/4
1905	46/5	44/4	48/11	46/4	36/2	47/5	47/-
1906	<u>48/-</u>	<u>46/-</u>	49/7	47/4	36/2	47/7	47/5
1907	46/8	48/3	<u>54/2</u>	45/3	<u>36/4</u>	48/7	<u>48/5</u>
1908	49/4	49/1	51/9	52/1	39/9	50/2	48/7
1909	<u>47/6</u>	<u>50/-</u>	54/6	54/5	39/7	<u>59/7</u>	50/11
1910	46/7	50/-	56/10	55/3	40/4	55/8	<u>50/11</u>
1911	<u>47/7</u>	50/7	54/6	<u>60/5</u>	47/5	<u>55/8</u>	65/10
1912	49/1	<u>51/8</u>	<u>56/1</u>	69/1	48/10	56/11	<u>57/5</u>
1913	52/8	<u>57/5</u>	55/11	68/-	<u>50/9</u>	<u> </u>	57/10
1914	57/2	64/-	60/11	65/2	52/-	62/5	58/10

As determinations were two, three or more years apart it is reasonably to suggest that some part of the interdetermination wage increases reflected a measure of wage-drift. To obtain statistical evidence of this view, wage data for approximately 60 crafts and trades were tabulated separately, the dates of determination inserted as a guide to adjustment of legal minima. Presentation of the whole survey, which includes average wage figures for all classes of employees, male and female, proved too unwieldy. Instead, seven industries were extracted and presented here to indicate the general movement of average weekly wage between and at wage board determinations.

Source: Annual Reports of the Chief Inspector of Factories and Shops to the Victorian Parliament.

such a contention. Learning by experience that minimum wages did not cause the calamities frequently foreshadowed, employers realised the value of greater steadiness and dependability of uniform wage rates. They found, additionally, that personal effort and individual qualities could still be recompensed by paying over award wages as suited their convenience and judgment. This was especially true once labour market conditions caused average wages to rise away from nominal rates. In effect, the fearsof the minimum becoming the maximum thus causing harmful rigidies in the wage structure were not realised.

The Living Wage

While the development of minimum trade union rates affected some of unskilled, notably those whose job locations conduced to the organisation of mass unions, e.g. wharf worker, miners and ironworkers' assistants etc., mostly non-tradesmen were more vulnerable to employers! efforts to economise on wage costs. large numbers of the unskilled were not and never had been effectively organised, the re-imposition of predepression union rates did not apply. Unskilled workers employed by governments were not paid a specific trade union rate, as were all craftsmen, but an arbitrary determined wage based on what was considered to have been the lowest rate paid to an average unskilled man before the nineties. There being no precise trade union rate appropriate to all nontradesmen and given the need to fix a uniform minimum

rate in keeping with the general direction of the developing wage structure, resort was made to broadening and refining the concept of a Living Wage to embrace all adult male workers.

This humanitarian concept has been both the subject of academic discussion and the object of social Yet to give exact measurement to a Living Wage has always been problematical. The exercise has been confused by attempts to reconcile such diverse factors as how society considers people should live, what grade of workers should be provided for, how developed is the economy that must sustain any specified level of total consumption, and what are the practical difficulties to setting and maintaining the value of a pre-determined minimum living standard. Whilst it may be not impossible to stipulate some universal 'ideal' definition of a Living Wage in terms of calorific intake necessary for a specified state of physical health (and this will be complicated by the climatic and cultural factors), to be at all meaningful it must be relative to economic and social conditions in particular communities. For example, the actual living standard postulated by Seebohm Rowntree for England was pitched at a lower level than standards agitated for, on the same humanitarian feelings, by members of the Victorian Anti-Sweating League.

Poverty. A Study of Town Life, London 1901, chapter IV.

Possibly no-one is better informed of the limitations set by economic factors than the humanitarians engaged in social enquiries. activities lead them to be directly aware of and to consider the enormity of the problems involved; and this contact with economic and social realities induces an attitude of practicality and often an awareness of the limitations of legislative action. ${\tt Whilst}$ redistribution of income might at any point in time increase total consumer satisfaction, this is not always the objective of those propounding social theory or proposing social reform. More generally, attention is placed on protecting the unfortunate, the defenceless and the 'exploited' groups; raising them to the standard of those paid 'fair wages' by 'decent' employers. Any other solution would require action amounting to social revolution. And as many humanitarians interested in these problems are drawn from the middle and upper classes and are frequently themselves employers, the recasting of society in a new and untried mould may not always appeal.

Australian nineteenth century wage experience was dissimilar from that of the U.K. While there can be traced a trend of rising per capita national income in the U.K. certainly from 1850 and possibly from the end of the eighteenth century, the process was gradual compared with that in Australia. Here resource endowment and the scarcity of labour tended to raise wage incomes higher than elsewhere. Gold discoveries in the 1850s caused a precipitous rise in wage incomes

to an extraordinarily high level. Notwithstanding the atrophy of the initial shock effect, real wages remained high and even increased in the seventies and eighties. Yet there were some who failed to participate fully in this high living standard, especially those employed in various manufacturing and service industries. And it was these who were relatively worse off that attracted the attention and sympathy of Australian social reformers. Hence the vigorous campaigns to induce governments to legislate against truck, to legalise trade unions and to regulate conditions in factories and shops. Perhaps in British terms, one may regard this liberal sympathy as aiding, in many cases, those suffering 'secondary' poverty. But this well illustrates the relativity of reformists concepts.

In Australia, advocacy of a Living Wage pre-dates the period of low wages and heavy unemployment in the nineties. In 1890, for example, the <u>Bulletin</u> referred to the level of prices as 'now low enough to make 40 shillings weekly [then deemed a living wage] sufficient to rear a family decently!. 2 It continued:

...forty shillings!...worth of commodities ...do not provide the tranquility, comfort and cleanliness, homeliness, amusement and refinement necessary to domestic happiness,

Philipp, Trade Union Organisation..., p.13.

Quoted by G. Black in 'A History of the N.S.W. Labor Party', No. 1, Sydney, undated, p.32.

the mental, moral and physical welfare of two civilised beings and for rearing of the offsprings. (The average workingman's family is usually estimated at three).

Yet the principle of a Living Wage thus stated lacked precision, or guidance of how the standard should be decided and maintained. In 1892, Sir S.W. Griffith, Prime Minister of Queensland thought

The natural and proper measure of wages is such a sum as is a fair immediate recompense for the labour for which they are paid, having regard to its character and duration, but it can never be taken as a less sum than such as is sufficient to maintain the labourer and his family in a state of health and reasonable comfort.²

When taxed to define more explicitly the Living Wage, Griffith revealed his failure to have considered seriously the socio-economic implications of translating this ethical belief into positive social policy. Asked if he intended to determine the standard of reasonable comfort he replied, 'It is impossible to do that. It is always a question of fact - what is "reasonable"!.3

It would seem that in Australia at the time, public concern and willingness to develop this sentiment was probably no more advanced than in England,

[.] Ibid.

Royal Comm. on Strikes..., op. cit., Q.7202.

Ibid., Q.7238 and Q.7243.

The long, hard fall in wages during the nineties; groping for a rate both conceptual and actual to fix unskilled wages; continuing heavy unemployment among non-tradesmen causing wages to remain substantially below the level set in years of prosperity; agitation by powerful interest groups for the re-enactment of the Australian standard of living; excesses revealed by Anti-Sweating league exposés of some government contractors and private employers; and the reluctance of even the most conservative groups to deny the social desirability of setting a Living Wage of some sort — these in combination rooted firmly in Australian society the social utility of declaring in favour of and providing the legal institutions to implement a nationally applicable Living Wage.

If in 1890 it was believed impossible for a man to support himself and family in a civilised manner in Australia on 'Two Quid a Week' the material lowering of wages in the nineties, and rising incidence of irregular work posed the more serious social problem of wages falling below subsistence. Given the long period of general economic well-being, the relatively high wages earned by the unskilled assumed the proportions of the lowest wage that should be paid to any adult worker. From this as suggested earlier developed the thinking that the amount so paid represented subsistence, i.e. that amount which a man needs to maintain himself decently in contemporary society. It is probable that in the Australian circumstances before the depression there was considerable leeway between

the lowest wage generally paid to unskilled labourers, and that amount required to sustain physical competence. Equally, however, labour market conditions and the action of employers to force down wages for the unskilled and hold them there reduced this leeway to very small proportions, or in some instances below subsistence. Thus, to the (Australian Standard) Living Wage concept was added this further and important dimension. When in the nineties, and with only marginally less force in the next decade, parliamentarians extolled the virtues of an inviolable Living Wage, the sub-standard wage rates they quoted could be supported by considerable and 'uncontrovertable' evidence as supplied by politicians acting in the interest of their constituents, trade unionists speaking for wage earners generally and the Anti-Sweating League acting for 'society'.

The claims of the unskilled were given a further boost by the growth of non-tradesmen's unions. Before the nineties these were chiefly limited to 'pick and shovel' men and wharf labourers (though extending the definition to include semi-skilled we may add miners, seamen and shearers) whilst attempts to organise transport and other service wage earners were developing only slowly. Either defunct, moribund or greatly weakened during the nineties, these unions revived approximately from 1900 to state energetically the case for union rates. Where it was possible to quote previously existing rates the organised unskilled adopted a policy not dissimilar to the craft unions,

i.e. pressing for a minimum wage as such. The prime difference, however, was the attaching to claims for these union rates the social welfare principle of the Living Wage. Voicing such claims at demonstrations, in deputations to government and quasi-government authorities, through labour and liberal politicians, in collective bargaining negotiations before industrial tribunals, and through the medium of labour newspapers, the labour movement prosecuted the campaign for the determining wages of the unskilled by non-economic criterion. This was supported and found additional strength by constantly comparing the existing lower wage level with higher rates received before 1891.

For the unskilled there was little or no conflict between the claim for trade union rates and for a Living Wage. And making these two criteria synonymous mostly ruled out allowing special provision for economic conditions of individual industries. Once the concept of the Living Wage had been internalised by society, had been adopted as one of the fundamental human rights which governments should guarantee, the scope for infringement or special pleading was severely circumscribed, It was during the 1890s and more so in the 1900s that the corollary of the Living Wage doctrine became familiar and was enunciated as almost a truism - that is, industries unable to pay a Living Wage had no place in a civilised community. various institutional means developed to implement the new social ideal took this principle to be self-evident, though reconciling it with other factors, especially

unemployment, caused industrial tribunals to indulge in the most tortuous reasoning to justify differing awards for the unskilled. However, for the purposes of tracing the origins of the Living Wage and its social acceptance, such transitional problems are of secondary importance. Of paramount concern here is to state that due to the force of various factors mentioned, Australian society of the 1890s and 1900s fashioned the concept of a Living Wage applicable to all male adult workers. It was this concept that Higgins enunciated in the Harvester Judgment. Moreover, by its being coupled with craftsmen's demands for minimum union rates and the retention of stated differentials for skill, the Living Wage formed the foundational amount of Australia's complex wage structure. It further provided the cogency of argument to guarantee the purchasing power of wages, as prices fluctuated in time with economic conditions.

Thus, by the end of the 1910s Australia had implemented a national minimum (Living) wage having a controlled and constant purchasing power, differentiated for varying costs of living in the several capital cities and representing the base point for all other wages.

CHAPTER 7

VICTORIAN WAGES BOARDS AND THE NEW SOUTH WALES INDUSTRIAL ARBITRATION COURT*

The national minimum wage was implemented by Australian governments in partnership with quasi-legislative compulsory industrial tribunals.

By the early 1900s, the Commonwealth and the larger State governments were committed to the principle and practice of paying their unskilled workers a Living Wage of 7/- a day. Although rising prices caused government and municipal wages to fall below the Harvester Equivalent and recovery was delayed until after the war, the intention to observe the socially-ideal wage conditions was not the subject of argument.

Far less was this so in private industry. It is possible that the more strongly organized unskilled would have achieved the Harvester Wage by collective bargaining. It is less likely that adult males dispersed among a wide range of ancilliary occupations would have reached this standard unaided, even by 1921.

It is not intended here to give a general descriptive account of the various Acts and amendments. The three most useful studies of Industrial legislation during this period are: W.P. Reeves, State Experiments in Australia and New Zealand, Vol. II, London 1902; Collier, op. cit; and Rankin, op. cit.

Furthermore, both parties to wage determination had serious misgivings about the practicality and consequence of enforcing the 7/- standard universally. Employers concerned with wages as a cost of production, warned of the deleterious effects of high wages on the competitiveness of Australian industry, on unemployment, and on price inflation. Desirable no doubt; but to pay 7/- a day in industries which 'clearly' could not pay was, in their view, the height of economic and social irresponsibility. No one would be hurt more than those the measure was intended to benefit. Far better then to act with circumspection. To pay wages according to the ability of each industry's capacity. Even if in some occupations wages for unskilled could not be raised above 25/- or 30/- a week, this was infinitely preferable to closing businesses and adding to the already super-abundance of unskilled labour.

For labour, minimum wages for all was a very different thing to a national minimum wage. From hindsight it could appear the unionists followed a fairly well defined programme of action - that is to secure the universal application of the minimum wage of 7/-. In the crudest possible sense, this was the ultimate objective. Yet to subscribe to a vaguely conceived social goal was one thing: the conceptual and practical problems to be understood and solved was quite another.

As among other groups, unionists, attitudes were strongly conditioned by the 'truisms, of economic

theory. So long as the wage cost-unemployment correlation was accepted uncritically, unionists, bound by their own convictions, could not sponsor an absolutely universal minimum wage. Moreover, the developing social institutions were themselves industry—level wage determining instrumentalities. They were concerned specifically to examine conditions industry by industry; to concern themselves with the particular rather than the generality. And this was in keeping with the empirical approach typical of labour policy in this and other socio-economic matters.

Whilst sensitive to the fact that wages of unskilled in some occupations were close to, at, or even below subsistence, the Living Wage even so, was almost completely an hortative term used to capitalize on favourable public sentiment; an expression of a general ambition to raise wherever possible (or prudent) the relatively low wage paid for unskilled work.

The problem thus presented to industrial tribunals was to cope with a confusion of interests, ambitions, and concepts. Theirs was a dilemma not wholly dissimilar to that confronting employers. Parliaments charged wages board chairmen and arbitration court judges to set 'fair' wages, without defining what this meant, how it might be done, or at what possible cost. Pressure was also constant for the lowest wage to be

Supra, pp.291-2.

raised to accord with an equally ill-defined concept the Living Wage. Although it is clear that tribunals
were instituted to act in the interests of labour,
these interests were not always 'obvious'. Tribunals
had ever to respect and work within the 'facts of
industrial life'. Frequently, as interpreted at the
time, these facts ran counter to the wishes of labour.
Reports of determinations and awards are replete with
the expression 'we would like to have awarded more
but...' or, 'We realise the work is worth more than 30/- or 35/- a week and that such a wage is hardly a
living wage, but....'

The Harvester decision was in many respects a commentary on this unresolved predicament which had bemused and confused parties to wage determination at the State level. To appreciate better the force and significance of Higgins' judgment it is helpful to briefly examine the experience of the two most important State tribunals - Victoria and New South Wales.

Victoria

Wages Boards

Giving evidence to the Royal Commission on Strikes, W.G. Spence, the most colourful and one of the most

E.g., N.S.W. Arb. Court, United Labourers' Soc. of N.S.W. Industrial Union of Employees v Commonwealth Portland Cement. Industrial Union of Employers (1907) (continued p.420)

important trade unionists in Australia during the eighties and nineties, believed: 'the two factors of capital and labour get along better in Victoria than in New South Wales...there has been a great deal of conciliation between them and they are in touch with each other very considerably....'

Here Spence displayed considerable knowledge of contemporary industrial relations, especially the contrast between the two neighbouring colonies. Considering the expected differences in outlook and interest between labour and capital, and the hostility this generally engenders, the suggestion of a friendly relationship between representative organizations of the two sides is remarkable. This lack of animosity between employers and employed in Victoria is perhaps exemplified by noting that when the new Trades Hall Council Chambers were officially opened, assembled trade unionists and a bevy of political dignitaries were 'addressed' by the presidents of both the Chambers of Commerce and of Manufacturing. 2 And this at a time when relations were decidedly cooler than in former vears.3

^{1 (}continued from p.419)
Transcript, pp.411-2; IV TAR, 1907, p.179; Worker,
20 June 1907.
1
Q.2028.
2
T.H.C., 4 November 1891.
3
Infra, pp.421-2.

There is some evidence then, that in the late nineteenth century, industrial relations in Victoria were conducted in an atmosphere of a remarkable degree of mutual respect and good will. The basis of this co-operation as has already been suggested was tariff protection. Such fiscal measures shielded the manufacturers from external competition (including other colonies), and 'guaranteed' union rates for craftsmen. While disputes were not absent, this mutuality of interest served to maintain close contacts and to remove the most severe cause of dissidence from employer/employee relationships.

The Maritime Strike lowered this level of mutual respect and co-operation. Employers particularly resented the Statement of the Committee of Finance and Control issued in 1890. Though correspondence 'to clear away misunderstandings' continued in the early 1890s, it was not before June 1894 that the Employers' Union 'accepted the Council's "explanation" of its endorsement of this "document". In response to the employers' conciliatory letter delegates agreed 'that the Council expresses its gratification that the former amicable relations have been resumed! This detente

Supra, pp.321-5.

For details of the 'Statement' see R/C Literary Appendix L.7.

T.H.C., 22 June 1894.

Ibid.

was shortlived. In May 1895, Council regretted 'untrue' newspaper reports of 'violence committed by members of the shearers' union'. Such reports were 'calculated to widen the breach unfortunately existing between capital and labour'.

Mostly, pressure was on trade unionists to re-establish and then nurture the close relationship between themselves and employers. As unemployment increased, and trade unionism weakened, 2 it became imperative to exploit any extra-industrial influence at the Council's disposal. Conversely, employers' dependence on co-operation with unionists was much reduced. Labour was abundant, strikes practically unheard of. And given lowered wages possibly the need for increasing protection was less immediate. Certainly there was scant reason to believe unionists seriously considered withdrawing their support for high On the contrary, it was the exceptional protection. Council meeting where demands were not made for shutting out entirely any goods which could be made in In effect, employers' ascendancy was Victoria. complete.

This power disparity was basic to both parties! attitude to proposed industrial tribunals.

T.H.C., 31 May 1895.

[.] See Appendix 4, Vic. Trade Unionism.

The line of development between Factory Act and wage determining in Victoria is less simple than has been suggested. There certainly was a time and situational coincidence, inasmuch as the first provision for wage fixing in Victoria was made in the 1896 Shops and Factories Act. Yet the inclusion of wages boards in factory legislation was far more a bad second best for labour than a purposive intention to have wages thus determined.

Before the depression the T.H.C. functioned, <u>interalia</u>, as an institution for conciliation in industrial disputes; ² a role which was continued into the 1890s. ³ Early reference is made in Council minutes to the Board of Conciliation comprised of representatives of the Council's executive and the Employers' Union. ⁴ The urgent need to find a means to supplement weakened industrial power, particularly to induce employers to meet unions in dispute settlement conferences moved the Council to make more systematic and compulsory these loosely framed and voluntary arrangements.

Rankin, op. cit., p.14.

Philipp, Trade Union Organisation..., pp.170-1.

T.H.C., 7 September 1894, settlement of the bootmakers' dispute.

⁸ August 1890, also Hutson, op. cit., p.27 and Matthews, op. cit., p.1 for accounts of pre-1890s functions of this Board.

As early as August 1890 Council debated that 'a compulsory clause be added to the Constitution of the Board of Conciliation'. Discussion of the most suitable means for obtaining compulsory conciliation and arbitration stretched over the next eighteen months. Soundings were taken of opinion among affiliated societies 'asking whether [they] were in favour of settlement of disputes by such courts and whether these Courts should be established by law'. By April 1892, agreement was reached on a scheme providing a Court, a judge of the Supreme Court and advisers from both sides of industry (strikingly similar to the 1901 New South Wales Arbitration Court) which was 'forwarded to the Chamber of Commerce'.

Understandably, unions' enthusiasm for legal regulation of wages by compulsory arbitration was not shared by employers. After decades of being the weaker party in wage bargaining processes, the advantages gained in the strikes of 1890 and changed economic conditions, were not to be relinquished lightly. Consequently, unions' overtures were met by procrastination and evasion. In June 1892 delgates were told: 'The Employers' Union have (sic) closed all

⁸ August 1890.

[~] 12 February 1891.

¹⁸ March 1892 and 8 April 1892.

communications with the Council', 1 and a month later the T.H.C's 'draft scheme was rejected by the Employers' Union who refused "to be associated with the Board of Conciliation because of the circular issued by the Committee of Finance and Control". 2 These rebuffs failed to deter the Executive. Alarmed by rising unemployment, repeated efforts were made to persuade employers against their better judgment that their mutual interests lay in setting up courts of compulsory conciliation and arbitration. 3

That the T.H.C. should first resort to employers for assistance was quite in keeping with earlier practices. It was some time, however, before unionists appreciated fully how drastically conditions had changed, and with them the policies of employer organizations. Ideas were changing by the second half of 1892. Though persisting with their direct approach to employers, the emphasis moved to an appeal to Parliament. Even now, however, the T.H.C. first looked for a joint rather than a unilateral approach to the legislators. Typically, Trenwith moved,

...that the Council approach the Chamber of Commerce to form with Council a joint deputation to the Chief Secretary to present the draft scheme [already rejected by the

^{&#}x27; 10 June 1892*。*

[~] 8 July 1892.

^{.5} August 1892.

Employers' Union!] for conciliation and arbitration...urging that a Bill on the above lines be brought before Parliament at an early date.

On being rejected by the Chamber of Commerce, 2
'300 copies of the scheme [were] printed and sent to members of Parliament'. 3 Two further rebuffs, first by the Employers' Union 4 and later by the Chamber of Commerce 5 finally convinced the T.H.C. that employers were not interested in providing institutions designed to curb their own power. Attention was shifted thereafter to the unilateral approach. In November 1894, Council instructed Labour members that 'a question be put to the Premier as to whether the government were prepared to introduce a Bill dealing with the question of Conciliation and Compulsory Arbitration'. 6

It is clear that Victorian labour preferred and pressed strongly for compulsory arbitration as distinct

⁵ August 1892.

² September 1892.

²¹ October 1892.

[.] 27 October 1893.

⁵

¹ December 1893.

¹⁶ November 1894.

This was the ideal. 1 In 1897, the from wages boards. Ballarat Council's proposal for 'a measure on the lines of the New Zealand Conciliation and Arbitration Act! 2 drew the reply, 'proposals were already drafted and are in the hands of the Government'. In 1900, while introducing his private member's Conciliation and Arbitration Bill, Trenwith gave credit to the limited usefulness of wages boards, yet added: 'I would point out that this Bill gives us in a more concise, and I think more readily workable form than even our Factories and Shops Act. 4 The connection between political and industrial labour policy is established by noting the resolution adopted by a T.H.C., urging the government to 'pass the Industrial Arbitration Bill now before Parliament for the benefit of those trades and other industries that cannot be brought under the provisions of the present Factories and Shops Act. 5

For the Miners' support for compulsory arbitration see AMA of Victoria Annual Conference Report 1897, p.17; 1898, p.15; 1900, p.10; 1901, p.54; 1902, p.20; 1903, p.59: Worker, 9 November 1905. For A.L.F. see T.H.C., 8 June 1894: for Shearers' Union approval, Pastoralists' Review, Vol. 4, 1894, pp.207, 369, Tocsin, 17 March 1898.

¹⁸ December 1897.

 $[{]f Ibid}_{f s}$

тріа. 4

Vic. Parl. Deb. Session 1900, Vol. 94, p.1002.

²⁵ August 1900.

Possibly because the first federal tariff was a live issue and labour's support essential, the Victorian government was disinclined to antagonize the unions by openly rejecting compulsory arbitration. For in reply, the Premier claimed: 'they had a similar measure on their own list'. This measure was never debated. Nor, indeed, were subsequent Bills. Despite Trenwith and later Lemmon moving the first reading of a Compulsory Conciliation and Arbitration Bill every year until 1905, and the Royal Commission on Factories Law in Victoria's recommendation of this method of wage determination, Labour never commanded sufficient parliamentary strength to achieve the more centralized and legalistic system adopted in New Zealand, New South Wales and the Commonwealth.

Vic. Parl. Deb. Session 1900, Vol. 95, pp:1370-1.

Vic. Parl. Deb. Vol. 97, 1901 pp.273, 3219; Vol. 100, 1902 p.552; Vol. 103, 1903 p.2852; Vol. 105, 1903 p.35; Vol. 106, 1903 p.2100; Vol. 107, 1904 p.83; Vol. 109, 1904 p.3331; Vol. 110, 1905 p.330; Vol. 112, 1905 p.3551. For T.H.C. continuing pressure for compulsory conciliation and arbitration see T.H.C. Minutes 30 November 1900, 7 December 1900, 21 December 1900, 22 February 1901, 29 September 1901, 6 December 1901, 3 July 1903, 21 August 1903, 28 August 1903, 31 March 1904: Tocsin, 13 December 1900, 27 December 1900, 20 August 1902, 13 August 1903.

Report of the Vic. Royal Comm. 1902-3, p.LXIII et seq; also Sutcliffe, A History of Trade Unionism..., p.136.

Somewhat disillusioned by repeated failures to obtain industrial arbitration, in the second half of the 1890s and more so in the next decade, labour and labour sympathisers turned to expanding and developing industrial control by the Factories Act. Conceivably, this move was encouraged by non-labour organisations who favoured less radical or less legalistic measures for wage regulation.

Throughout these formative years the T.H.C. maintained very close connections with the Protective Association, the Anti-Sweating League, the Australian Nationalists' Association, and various religious organisations. ¹ Indeed, it was often these organisations that took the initiative in drawing together the parties interested in legal wage determination. ² Furthermore, the emergence of the Labour Party did not materially affect this

I. Campbell, op. cit., p.50; also various references in Cutler, op. cit.

There are numerous references to contacts, discussions, conferences, joint deputations mentioned in T.H.C. Minutes especially from the mid-late 1890s, see for example, 7 July 1895, 26 October 1896, 7 July 1898, 24 March 1899, 19 January 1900, 2 February 1900, 27 April 1900, 27 July 1900, 19 July 1901, 25 October 1901, 31 January 1902, 14 February 1902, 28 August 1903. For T.H.C./A.S.L. co-operation see Cutler, op. cit., especially pp.92, 101-2, 116, 135. A.N.A. support for the minimum wage clause is evidenced by the order that only trade union minimum wage paying employers should be patronised for the printing required by the Association, Tocsin, 6 October 1898.

relationship. At a special meeting of the Council called to consider 'the forming of an independent Labour Party', a motion stipulating 'Members of the new party shall not be permitted to join any other Political Organisation...' carefully excepted the Protectionist Association and the Anti-Sweating League. 1

Equally, or perhaps more important to the fashioning of labour attitudes was the basic pragmatism of union policy. The Factories and Shops Act was on the Statute Book. It had functioned, though imperfectly, to improve working conditions, and employer resistance to its limited extension was less insurmountable than to compulsory arbitration.

The concept of fixing wages for adult males by special boards was first mooted in the T.H.C. In October 1895, Council resolved '...that the Minimum Wage principle be extended to males as well as females'. And in the Victorian parliament the Council's spokesman, Trenwith, suggested extending legal minima to adult males. He linked this principle with the second main strand of labour policy by holding

The principle of the minimum rate of wages had been recognised by the House so far as Government Contracts were concerned. He asked the Committee [of the House] to

T.H.C., 18 January 1901.

T.H.C., 18 October 1895.

recognise a principle that had been recognised before. 1

Another Labour member, J. Hancock, elaborated:

The municipalities and the Government had already recognised that a minimum rate of wages should be paid under contracts let by them and he felt perfectly certain that it had only to receive the stamp of legislation to cause private employers to follow the example.²

Yet another Labour member, Prendergast, drew manufacturers' attention to their own best interest inasmuch as

the support of honourable members of the opposition, if for nothing else because of the language they used in the protectionist versus free trade debate on the Tariff. These honourable men then asserted that a minimum rate of wages should be introduced for the protection of the workers.³

Labour's amendment to apply the minimum wage clause to adult males, supported by some country members ⁴ and a number of Liberal Protectionists including Higgins and Deakin, was carried by 49 votes to 20.⁵ The power and influence of pressure groups

¹Vic. Parl. Deb. Session 1895-6, Vol. 78, p.3144.

2
Ibid., p.3145.

3
Ibid., Vol. 79, p.3149.

4
Cutler, op. cit., p.102.

5
Parl. Deb., Vol. 79, p.3150.

concerned to placate labour and retain its electoral support may be obliquely observed by noting that this relatively radical measure was not rejected by the ultra-conservative Legislative Council, or as was later described by the <u>Bulletin</u>, 'The House of 48 Rich Landlords'.'

The attitude of Victorian labour to the role expected of wages boards was expressed by Trenwith, to wit, 'the wages board principle was not one to be confined to the sweated trades...but should be extended to all trades irrespective of the degree of trade union organisation. By 1898, the T.H.C. had appointed a subcommittee 'to deal with claims by various trades to have the Factories Act extended to them..... Continual pressure by joint deputations of the Council and the A.S.L. in the next year elicited from Peacock the promise that the Bill to extend the Factories and Shops Act 'would be placed higher on the Notice Paper in order that it could be more speedily dealt with'.

Bulletin, 6 October 1900.

Gollan, Radical and Working Class..., pp. 187-8.

Tocsin, 22 September 1898: see also T.H.C., 14 January 1898, 28 January 1898, 11 February 1898, 18 February 1898, 11 March 1898.

E.g. 25 October 1898, 6 October 1899.

¹⁷ October 1899.

That the Bill was 'speedily dealt with' was probably the result of a number of factors. Victoria, Labour was currently pressing hard for industrial arbitration to supplant or at least supplement wages boards, and this advocacy met with the approval of the A.N.A. Demand was further heightened by repeated reports of the smooth working of the New Zealand Conciliation and Arbitration Court, 2 and note was probably taken of B.R. Wise's Arbitration Bill currently being discussed by the N.S.W. Parliament. hold labour's electoral support, at least until after the federal tariff was safe, some though not all of their demands had to be met. Hence the considerably widened scope of the 1896 measure in 1900. Moreover, the new Act which extended wages board coverage to include 'any process, trade or business carried on in a Factory or Workroom... blunted the edge of Trenwith's demand for compulsory arbitration.

The policy of retrenchment pursued by Victorian governments 1902-5, while only marginally affecting government and government contract wage earners, was felt more severely by those employed in the private sector. Lapsing in 1902, the Factories and Shops Act was renewed only after intense agitation by labour and

Bulletin, 8 September 1900, 6 October 1900.

E.g. Vic. Parl, Deb. Session 1900, Vol. 94, p.998; Sutcliffe, <u>History of Trade Unionism</u>..., p.135.

labour sympathizers and then only in an emasculated The June 1902 measure practically abolished whatever 'arbitration' character the Act had by requiring at least two employer representatives to vote with the employees before a determination could be This attempt to substitute conciliation established. for arbitration 'completely failed'. The 1903 Act dispensed with the seven-tenths majority rule. this enabled existing boards to resume work, the establishing of new boards was made extremely difficult by requiring the sanction of both Houses of Parliament. The Legislative Council now had an effective veto, and judging by the small number of new boards set up between 1903 and 1907, and the persistent pressure of unions to obtain legal regulation of wages it appears that this veto was frequently wielded. 3 Probably it

T.H.C., 9 May 1902, 15 May 1902, 24 October 1902.

M. Rankin, op. cit., pp.15-16.

Worker, 23 June 1910, 8 August 1912, see also evidence given at N.S.W. R/Comm. 1913, p.507. This interpretation differs from Rankin's (op. cit.), who believed the removal of the apprenticeship stipulation in 1903 was the reason for the lower yearly average of new boards set up in 1903-1910. She disregards the many boards established in 1906-7 although the apprenticeship rule was not re-applied until 1910. Moreover a great many of the trade unions seeking boards were those representing occupational groups where apprenticeship mostly did not apply - that is some manufacturing industries and many services. A study of T.H.C. Minutes and Labour newspapers leaves little room to doubt that very many occupational groups would have been brought into the system if they could have so persuaded the legislators.

was only when a majority of employers in a trade agreed to unions! requests that boards were set up.

The result was to leave unregulated, until after 1907, the mass of wage earners in the most vulnerable areas of employment. In these pre-Harvester years, no service industry was provided for. Equally, very considerable numbers of the lowest paid wage earners in primary and secondary sectors were denied protection. In effect, the majority of those most in need, the unskilled dispersed among numerous industries in every main sector of business, were outside the legal wage regulation system until toward the end of the decade.

It was the 1907 Act that gave Parliament power to form special boards in any 'process, trade or business whether in a Factory or Workroom or not'. The final extension to make coverage complete was made in 1910 when provision was made for the appointment of a board 'in any occupation' thus enabling hotel employees, commercial clerks, etc. to procure the regulated conditions. Such was the scope of the measure that boards might be extended to have jurisdiction of the whole state, country boards could be appointed, and the 'power to limit the number of apprentices was regranted....' This lavish provision tends to confirm

Rankin, op. cit., p.17.

Ibid., p.18.

⁾ [Ibid.

unionists' musings that the functioning of the Federal Court made wages boards highly popular among employers.

Wage Principles

The comparative closeness of employer/employee relations may have been an important reason for Victoria never having experimented with compulsory arbitration. Neither side was prepared to be wholly unyielding. When pressed for concessions, employers chose the less legalistic wages board system and its subsequent extension. Unionists preferred arbitration but, anxious to obtain any means to supplement their weakened industrial power, took what was going. When wages boards were granted wider powers and were provided for all occupations anywhere in the State, the arguments for arbitration were less compelling.

Yet it is because of the dispersed and uncoordinated structure of Victoria's wage fixing system
that tracing wage principles is so difficult. From
1896 to 1903 there is no account of how or why the
wages boards arrived at their decisions. Chairmen
either took no notes of proceedings, or if they did,
all such records have been destroyed.² Now, only the
terms of the determinations are available.³ After

Supra, pp.320-1.

Letter from Chief Secretary's Office, 9 June 1965.

Victorian Government Gazettes or Reports of the Chief Inspector of Factories and Shops published yearly in Victorian Parl, Papers.

1903, the newly constituted Court of Industrial Appeals heard cases in open court, but no reports of proceedings are extant. The only intimation of the principles that may have been considered by the court is to be gleaned from contemporary newspaper reports of comments passed during the hearings, and from judgments published in the Argus Law Reports.

It is important to reiterate that during the pre-Harvester period only a minority of wage earners had their wages set by industrial tribunals. By far the larger number of wage rates were determined simply by collective bargaining or where unions did not exist, by individual work contracts. Although most tradesmen were organized and had secured some recognition of union rates by the turn of the century, their enthusiasm for wages boards suggests there were areas where employers did not observe these wages, and unions, unaided, could not enforce their minimum rates. For most unskilled, adverse labour market conditions caused wages to stick at a level markedly lower than the Harvester Standard. Thus it is clear that for the majority of people doing unskilled work in private industry, the Living Wage, as a principle conditioning wage determination, did not apply.

It is equally important to stress that most industries and trades regulated by boards were concerned primarily with skilled or semi-skilled workers. Even where 'industrial' boards brought some unskilled within their purview, they were rarely

represented on the boards, and there is reason to believe the lowest paid wage earner may have received only token support from the craft unions anxious to improve their own conditions. Within their own industries these unions may have even taken an 'ultra-realistic' view: industries could, or were thought to be able to pay only so much in total wages. Given this 'iron law of wages', raising the rates of the lowliest meant a proportionate reduction in the amount of the wages fund to be shared among themselves.

Before 1903 there was not even the pretence that wages should be regulated by any criteria other than those that usually applied in collective bargaining. The Special Boards were directed by the 1896 Act to fix 'the lowest prices [piecework] or rates of wages [according to] the nature, kind, and class of work, the manner in which it is to be done, the age and sex of the workers, and any matter which may from time to time be prescribed'. ²

Judging from the general behaviour of wages and scraps of reports of the manner boards functioned there seems to be little reason to take issue with the general view among observers of the system that wages boards were often little more than collective bargaining

Supra, pp.229-30.

Collier, op. cit., p.1855.

units, 1 e.g., 'they merely sit round the table...and bargain with each other as to what the price of Labour should be'. 2 The fact that chairmen were thought to have practised the haphazard method of 'splitting the difference' 3 is not at odds with this general proposition. Presumably, in the absence of a chairman, the same result may have obtained, or possibly the issue settled by industrial action.

How much influence chairmen wielded is not known. There are two instances on record that suggest they might not have been able to arbitrate in favour of labour if by so doing employers were provoked to resist.

In August 1897, when wages in bootmaking had fallen to a low level, the Bootmakers' Board, on the casting vote of the chairman, fixed the minimum rate for skilled adult males at 45/-, 15/- more than the employers' highest offer. Protests to the Minister prevented the determination being gazetted. In December a reconvened board declared a revised minimum of 36/- and it was not until 1902 that the minimum was raised to 45/-.

E.g. P.H. Douglas, <u>Wages</u> and the Family, Chicago 1925, p.151. For evidence of Wages Board Chairmen presiding over collective bargaining procedures see Vic. Royal Comm. 1902-3, pp.326, 432, 438, 456, 477, 607-8, 623, 648.

N.S.W. Royal Comm., 1913, p.206. <u>Worker</u>, 17 April 1913. 3 Rankin, op. cit., pp.18-9.

Collier, op. cit., p.1861.

In fellmongering, too, the chairman overstepped the mark. Objecting violently to the reduction of hours from 54 to 48 provided in 1901 Determination, 'the majority of the employers closed down their works for some months'. Both the Board and its Determination were abolished by the Factories and Shops Continuance Act of 1902. Not before 1904 was a fresh Determination made, and this stipulated hours of work as 54 per week. ²

This is not to deny some boards may have raised wages for various groups of wage earners, mostly the skilled, but it is apparent that the criteria or principles of wage determination were not substantially dissimilar from those applied in normal collective bargaining processes. Possibly the principal effect of, as distinct from the principle applied by wages boards, was

- (a) to compel employers to attend collective bargaining conferences - and this was a valuable gain for some groups of wage earners; and
- (b) to facilitate minimum wage uniformity across the trades or industries regulated. Such a development was certainly beneficial to unionists, but also welcomed by 'reputable' employers concerned to eliminate or discipline undercutters.

Report of the Chief Insp. of Factories Workrooms and Shops for 1908, p.36.

Ibid.

The first and really the last attempt to define the criteria of wage determination in the Victorian wages board system was the Reputable Employers Clause written into the 1903 Act. Inserted at the instance of labour, ¹ the clause provided:

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- 1. Boards should establish average rates paid by reputable employers to employees of average capacity
- 2. Lowest prices or rates fixed by any determination, shall in no case exceed the average prices or rates as so ascertained.²

Not knowing how wages board chairmen acted earlier or whether subsequently, much heed was paid to this directive, it is impossible to say if the new provisions had any effect. In general they appear merely to have endorsed the practice already applied rather than to have introduced any major innovation. To take the average wage paid (or even something lower, as is allowed in clause 2 above) and make it the minimum is not far removed from what might be expected from a collective bargaining agreement. Both unions and 'decent' employers would be interested in doing this.

The criterion of levelling up wages to reputable or the less disreputable employers may have represented a satisfactory solution for many craftsmen, especially those whose services were more highly rated as the

Rankin, op. cit., p.17.

Act of Parl. of Vic. 1903, 1857 Section 14.

national economy recovered. Less well protected were the unskilled to whom even the 'best' employers may not have been inclined to pay much more than the 'market' rate. Thus the R.E.C. rate was conceivably no higher than that prevailing in its absence. Even less well situated were the unskilled in industries which had expanded during the late nineties and early 1900s, partly on the basis of low wage costs. Reference here is to low wage paying <u>industries</u> where all employers paid conspicuously inferior wages. As the <u>Worker</u> expressed the problem: 'At the present time the minimum can only be arrived at by striking an average of reputable employers...many reputable firms are experts at sweating'. 1

cycle making was one such industry where all employers paid exceptionally low wages. Applying the R.E.C. criterion, the Board provided a minimum wage of 27/6 a week for unskilled adult males. Unionists' efforts to persuade the chairman to modify the criterion were unavailing and 'It was finally decided that even a low minimum wage was better than no legal rate and the Board made a Determination which came into force in September 1907'. Removal of the R.E.C. from the Factories and Shops Act in 1907 allowed the wage board to lift the minimum wage to 33/-.

³⁰ August 1906.

Report of the Chief Insp. of Fact. & Shops for 1915, p.149.

⁾ | Ibid

Parliament's 'solution' to this problem was thought to be found in providing an appellate court to hear cases submitted by the boards. Hence, clause of the 1903 Act stipulated:

When the average prices or rates as ascertained [by the R.E.P. criterion] are not in the opinion of the Special Board sufficient to afford a reasonable limit for the determination of the lowest prices or rates which should be paid, they may so report to the Minister who shall in such cases refer the determination for the consideration of the Court [of Industrial Appeals], and that Court in that event may fix the lowest prices or rates to be paid without regard to the provisions of subsection (b). 1

Seemingly, unduly low wages might be adjusted by reference to some principle other than what 'decent' employers paid. Yet the only directive given to the Court was that related to appeals against actual determinations as challenged by one or other party to the wage fixing procedures. Thus the Court was to establish

Whether the determination appealed against has had or may have had the effect of prejudicing the progress maintenance or scope of employment in the trade or industry affected by such price or rate and if of the opinion that it has had or may have such effect the Court may make such alterations as in its opinion may be necessary to remove or prevent such effect and at the same time to secure a living

Act of Parl. 1903, op. cit.

wage to the employees in such trade or industry who are affected by such determination. 1

This curious and confused provision attempted, by including every conceivable contingency, to clarify the position. It succeeded in making manifest the fundamental problem confronting arbitrators in the 1900s. To raise wages or not to raise them if the outcome was to increase unemployment: to eschew tampering with inordinately low wages if by so doing firms might stay in business and employees get some wage income - however low.

The matter was put to the test only once before the R.E.C. was repealed (1907). The Starch Trade Board found 'that existing rates did not permit of the Board fixing what the majority considered a fair wage'. Hearing the case in the Appeals Court, Justice Hood expressed sympathy for the lowest paid; recognized that the work warranted higher rates; believed 'it was most unlikely people could live on 36/- a week'; yet felt because of the 'state of trade', of 'cut-throat competition' (inter-State), he 'was unable to provide any really effective amelioration', and awarded 'just what the employers offered'. 3

Ibid., Section 16.

Report for 1908, p.52.

Worker, 20 June 1907 and for earlier report 6 June 1907. See also A.T.J. June 1st 1907, pp.8-9.

The Court 1 adopted the same attitude to appeals by employers against wages board determinations. Giving judgment in the Court's first case the President reduced the wages board's minimum for unskilled from 40/6 to 36/-, 2 apparently in the belief that the artificial manure industry could not pay the 'high' wage prescribed by the board.

In practice, the Court acted almost exclusively as a means of disciplining wages board chairmen who arbitrated in favour of labour - at least to the degree unacceptable to employers. In 1907 the <u>Bulletin</u> 'regretted' that 'of the four decisions given by his Honour every one should have been practically in favour of the employers'. Between 1903 and 1915, seventeen appeals were considered by the Court. In fourteen cases wages prescribed by the boards were reduced and/or hours of work lengthened. The one instance

After 1905 the Victorian Court was <u>sui generis</u>. There seems to have been no special appointment, Judges of the Supreme Court taking particular cases as they occurred, hence Justices a'Beckett, Hood, Hodges and Cussen each in turn presided.

² 1908 Report, p.17; see also T.H.C. 21 October 1904.

¹⁹ September 1907.

Oct. 1904, Artificial Manure Sept. 1906, Fellmongers Aug. 1907, Bread Trade 1909, Fellmongers June Sept. 1909, Artificial Manure 1909, Hairdressers Nov . Dec. 1909, Ice Trade July 1912, Boilermakers June 1913, Fuel and Fodder 1913, Artificial June Apr. 1914, Confectioners Manure 1914. Clerks Apr. 1914, Stone Cutters Aug. (continued p.446)

where a board chose not to make a determination (starchmaking), the Court awarded the wage rate offered by the employers; and the other two decisions were in favour of the rejuvenated Melbourne Typographical Society. 1 It is hardly surprising that labour should press for the rescission of the R.E.P. directive and removal of the Court, 2 while employers urged their retention. 3

There seems little doubt that both the wages boards and the Industrial Appeals Court almost completely ignored the Living Wage principle. There are so many exceptions that it cannot be held the boards observed even the 36/- standard as a crude Living Wage. Very much as in New South Wales, if 42/- was awarded to unskilled it was merely because this was the compromise amount decided by collective bargaining in the wages board proceedings. In the Appeals Court there was one instance where the presiding judge expressed an opinion of the social

^{4 (}continued from p.445)

Aug. 1915, Builders! Labourers.

Report of the Chief Inspector of Factories & Shops for the year ending 31 December 1915, Appendix E.

^{1906, 1913.}

T.H.C. 21 October 1904, 11 November 1904, 26 April 1907. Argus, 22 August 1906 giving report of trade union deputation to Chief Secretary to abolish the R.E.C.

Argus, 5 September 1906 giving report of Vic. Emp. Fed. deputation to Chief Secretary.

welfare principle of wage prescription, and here it was expressly rejected in deference to the capacity-to-pay/unemployment criteria. 1

New South Wales

The Arbitration Court

The control of wages by industrial tribunals in New South Wales had an early start. In 1796, minimum wages for defined categories were fixed and there is also recorded Governor Hunter's system of 'conference, arbitration, conciliation and wages board with compulsory awards'. At various times in the nineteenth century industrial disputes were settled by voluntary conciliation and arbitration. Perhaps disturbed by growing antagonism between employers and the rapidly developing trade unions, J.H. Carruthers in 1887 'introduced a Trades' Conciliation Bill...which conferred powers to compel attendance of disputants and

Supra, p.444.

The Jubilee History of Parramatta. In Commemoration of the First Half Century of Municipal Government 1861-1911. Ed. C. Cheyne, p.34. See also J. Alex Allen 'Men and Manners in Australia', Melbourne 1945, p.120.

³ Ibid.

Numerous examples quoted in evidence given to the Royal Commission on Strikes 1890.

to enforce its decrees. 1 Ironically, this measure, which was later to be fundamental to trade union policy, 'failed to receive a single vote from members who were subsidised by their unions (Angus Cameron, Joseph Creer, Jacob Garrard, and Ninion Melville) and it was defeated on the third reading. 2 The President of the New South Wales Trades and Labour Council, J.R. Talbot affirmed, 'I am not of the opinion that it is desirable that there should be compulsory arbitration in trades disputes. I think the less compulsion, if we can manage without it the better. 3 No doubt the continuing scarcity of labour, high wages, strong unionism, and distrust of government influenced organized labour to be chary about compulsory measures. This attitude lined up with employers! unanimous hostility to state intervention in industrial relations - hence the non-coercive Council of Conciliation and Court of Arbitration (1891) which, failing to attract employer co-operation, expired in 1895.4

G. Black. Arbitrations Checquered Career, Typescript, p.1.

Ibid.

³

J.H. Carruthers M.L.A. 'The Arbitration Act and its Working in the State of New South Wales' in Review of Reviews, February 1904, p.153.

G. Black, op. cit., p.3.

As in Victoria, high unemployment reversed power relativities, giving the employers the advantage, who thus consistently rejected all appeals to submit disputes to a third party. Though the Labour Party held the balance of power in the Lower House through the nineties, legislation for government to make arbitration compulsory was not obtained. Anxious as he was to remain in power, and his readiness to enact a 'substantial amount of Labor's platform', Reid refused to insert a compulsory clause in the 1899 Act.²

Though lacking Victoria's lengthy experience of Factories' legislation, failure to get compulsory arbitration caused New South Wales unionists to consider wages boards. In 1897, enquiries were made with the Melbourne T.H.C. 're the working of the minimum wage clause in the Victorian Shops and Factories Act with a view to commencing an agitation in favour of inserting a similar clause in the Shops and Factories Act of New South Wales'. Advised of its satisfactory nature, the question was debated and several approaches made to the government, but with no success. The policy was finally abandoned in April

Evatt, op. cit., p.119.

[.] Ibid

T.H.C., 7 October 1897.

[†] Ibid., 2 December 1897.

Ibid., 21 July 1898, 22 September 1898, 6 October 1898, 20 October 1898, 29 December 1898, 20 April 1899, 24 June 1899, 19 July 1899.

1901. 1 (Unionists' objections to wages boards were the fear of non-unionists or company men applying for boards and then accepting sub-union rates, these then being approved and enforced by law; the limited scope of wages boards' jurisdiction, i.e., regulating only pay, hours and apprentices - even this last named power was deleted from the Victorian Act 1902-10; the inability of boards to grant preference to unionists to regulate contract labour or to enforce determinations; distrust of 'neutral chairmen'; and finally the victimization of union representatives on the boards).

Without direct evidence we can only speculate how the 1901 Industrial Arbitration Act became law. Certainly the Premier, Lyne, was a convinced protectionist who, with aspirations of being the first Commonwealth Prime Minister would have been vitally interested in coming to terms with labour preparatory to legislating the first Commonwealth Tariff. South Wales employers, too, may have become more conciliatory to labour. Manufacturing was becoming increasingly important in the general economy. Possibly manufacturing employers were more influential in deciding employer policies. Contacts between employer organizations, in anticipation of political federation may have been more frequent and the strong Victorian protectionist and nationalist attitudes could have been important.

Ibid., 4 April 1901, 11 April 1901.

Harmony between employers and employees organizations was much less obvious in New South Wales. T. & L.C. minutes contain no pointers to suggest there was the close contact between the two parties so evident in the southern colony in the nineties. Only in the next decade are there signs that there may have been covert co-operation for specific objectives. Wise points to a lessening of some employers resentment to compulsory arbitration, thus:

I value particularly the support which has been accorded to me by a body of employers known as the Chamber of Manufacturers...in deputation they presented me with a resolution...to the effect that as a representative body of employers they would accept the principle of compulsion if the constitution of the present tribunal was altered.²

For some reason then, and it could have been the need to ensure wage earners' support for the Federal Tariff or to preserve political associations, a number of important employers were persuaded temporarily to

T. & L.C., 3 July 1902, 13 February 1904, 2 February 1905, 18 July 1905, 2 August 1905, 4 July 1907, 7 November 1907; Worker, 15 July 1905.

^{&#}x27;Industrial Arbitration Bill, An Answer to Critics Speech by the Hon. B.P. Wise Q.C., M.P., Attorney General on the Second Reading of the Bill Delivered in the Legislative Assembly, 23rd August 1900' (pamphlet, Mitchell Library, Sydney). See also Joan Rydon and R.N. Spann, New South Wales Politics, 1901-1910, Melbourne 1962, p.15. For attempts of some employer organizations to delay and/or amend the legislative proposals, see Pastoralists' Review, Vol. 10, pp.400-4.

cease or modify their traditional opposition to compulsory industrial tribunals. Another factor favouring the 1901 Act was the value both sides placed on maintaining industrial peace. From 1894 Australian industrial relations had been comparatively free of strikes and lock-outs, and even though, as the labour market for skilled workers tightened, some unions chanced direct action to enforce their demands, the hazards of striking were fully appreciated. In a rising economic environment, most employers too would have been anxious to avoid industrial stoppages.

The New South Wales Act was most likely the result of unions wanting a supplementary means of improving wages, and employers' increasing interest in tariff. There was also an affinity of interest in minimizing industrial disputes. That the actual method adopted was compulsory arbitration was probably due to there having been several earlier conciliation and arbitration Acts in New South Wales, to unionists' declared preferences, and marginally to the personalities of Lyne and Wise.

The Arbitration Court was as near to the unionists' ideal as they could hope to achieve. The court was empowered to set minimum wages, grant preferences to unionists (under certain limiting conditions), and to declare the 'common rule'. As has been suggested

Meaning: awards to be enforceable on all employers in the trade or industry whether or not they were parties to the dispute. Until disallowed by the Supreme Court (continued p.453)

earlier, however, once the federal tariff was ensured, the need to conciliate labour was temporarily removed. Moreover, in 1904 the Labour Party became the official opposition and had less parliamentary leverage on the government. Hence

During their first term of office they [the Liberal Government] set out to kill the Arbitration Act by inanition; and refused for four years [1904-8] to make any of the amendments which were required in consequence of unexpected legal decisions.²

From the outset the Court heard only a small minority of cases brought by unions. In 1902, 30 cases were 'on the list', ³ and by 1905, 'monster meetings' and deputations to the Premier protested against the Court's 'inoperation'. ⁴ Of the 63 cases awaiting settlement in 1904, 'four cases only [were] settled in the first half of 1905' and toward the end of the year '73 cases were pending'. ⁶ Not exceptional was the experience of the wharf labourers who waited $2\frac{1}{2}$ years

N.S.W. Annual Report 1905, p.6.

^{1 (}continued from p.452)
in 1905 this condition applied equally to private
collective bargains registered with the Court.

Evatt, op. cit., p.168.

Worker, 28 July 1910 quoting from article by B.R. Wise.

T. & L.C., 18 September 1902.

Worker, 20 May 1905, 10 June 1905.

T. & L.C., 10 June 1905.

Q.W., 14 October 1905, also Employers' Federation of

to get into the Court. Comparing Carruthers' inaction with Seddon (N.Z.) 'promptly answering unfavourable interpretation of the Act by suitable amendments', the T. and L.C. complained 'the measure [is being] strangled by the employers and the press'.

Supreme Court rulingsreducing the powers of the Court were added to by government's refusal to supplement the one judge appointed. Difficulties were multiplied by the refusal to replace Cohen when he 'went on circuit', causing the Court to cease operating, and the inordinate delay in appointing a new President when Cohen resigned (1905).

Accused of deliberately wrecking the Court, Carruthers contended:

...the congestion in the Court [was the result of] unions creating disputes...there were comparatively few industrial disputes before arbitration...we now had quite a rush of them [hence] the spectacle of industrial life in this country brought into confusion, and the majority of the cases unheard (my italics).6

Morker, 10 June 1905.

T. & L.C., 13 April 1905.

T. & L.C., 11 February 1904.

T. & L.C., 8 September 1903, 3 November 1904.

Rydon & Spann, op. cit., p.58.

S.M.H., 20 April 1905.

This illustrates admirably the differing attitudes of the parties to the purpose and function of industrial arbitration. The Liberal Reform government, employers and the press grudgingly conceded such a socio-economic institution was useful for settling some industrial disputes as they arose: labour viewed it primarily as the means of compelling employers to negotiate, to raise wages in every occupation, to make wage rates uniform, and to strengthen trade unionism by imposition of the preference-for-unionists! rule.

The strength of New South Wales labour's faith in compulsory arbitration as the most effective method of raising wages can be seen by their refusal to follow Victoria's example and make do with wages boards. An enquiry with the Melbourne T.H.C. in 1904 had not been followed up, probably because at that time the reply would not have been encouraging. In 1906, preparatory to a conference to be held with employers on legal wage determining, the T. and L.C. considered a motion

That our delegates appointed to meet the members of the Employers' Federation...be instructed to agree to the abolition of the present Arbitration Court on condition that Industrial Boards be appointed of experts with power to hear disputes and fix hours, wages and conditions of trade.²

This was rejected, delegates endorsing instead the Executives' recommendation to press for amendments to

T.H.C., 26 May 1904.

T. & L.C., 31 May 1906.

the Arbitration Act. ¹ At the conference no compromise could be arranged. Replying to Council's request for suitable amendments, the Premier indicated the government was 'mainly in favour of wages boards', ² a view which probably reflected employers' general attitude. ³

There can be little doubt that, quantitatively, wage regulation by industrial tribunals was even less important in New South Wales than in Victoria. It was the exception for a union to first establish a bona fide dispute, then obtain a satisfactory award (some awards were far from satisfactory) and finally to maintain its prescriptive force in subsequent years. The large majority of unskilled wage earners were either not organized, or if they were could ill afford to take their 'dispute' to the court. Even if able to get to the court's gates, the backlog of cases was so great a union had only a slight chance of being heard. Unionist complaints already noted, corroborated by Carruthers' statement, are supported the more strongly

Ibid.

Ibid.

Ibid., T. & L.C., 9 August 1906.

S.M.H., 29 October 1907 Report of N.S.W. Employers' Federation.

See supra, pp.218-21.

Supra, pp.454-5.

Ibid.

by the phenomenal rush to obtain wages boards under the provisions of the Industrial Disputes Act of 1908, thus: 'in a period of three years nine months and seventeen days [the Act] produced no less than 250 principal and 146 subsidiary awards'.

For practical purposes then, wage determination by quasi-legislative tribunals was relatively unimportant for much of the first decade of the century. This meant that in the years before Harvester, the wages of the unskilled were determined by collective bargaining where effective organization was feasible and mostly by labour market conditions where it was not. Before 1906-7 not all of those in the former category earned 7/- a day while most of those in the latter group received substantially lower wages, and failed to improve their position until assisted by wage boards from 1909.

Wages Principles

The problem of source material needed to trace wage principles applied by the New South Wales
Arbitration Court is more one of selection than, as in Victoria, of locating scraps of useful information.

Initially trade union hostility to the Act was very great, but once the breach was made by weaker unions, others applied with unconscionable celerity.

Worker, 26 June 1913, quoting the Registrar of the Court of Industrial Appeals. For details of the Boards see N.S.W. <u>Industrial Gazette</u>, Vol. 1, No. 2, p.1052,

The Court always conducted its hearings in public.

Newspaper reports of evidence submitted and awards given are plentiful. Anticipating the Commonwealth Court's practice by four years, the President published comprehensive accounts of both the 'facts' of the case and the 'reasoning' behind awards. More important than either of these sources is the complete transcript of proceedings of every case heard by the Court.

From this mass of material it is possible to look in on the attitudes of parties to disputes; to appreciate the problems arising from conflicting demands and pressures; and to understand the Court's difficulty in reconciling not merely the 'vital' interests of employers and employed, but tailoring awards to accord with public concern for the lowest paid wage earner and yet take notice of 'economic criteria' such as industry's capacity to pay, competition, and unemployment.

In New South Wales, public and political accountability was more immediate than in Victoria. The highly centralized, unitary institution set up under the 1901 Act was always in the public eye. There was only one Court for the public to observe, one judge to make decisions. Furthermore, they having not been explicitly barred from the Court, the legal fraternity were wont to mull over and seek to establish a principle common to all cases. It was not enough to settle disputes on the general principle of 'equity and good conscience'. Both parties and the Court demanded something more positive and more consistent.

Responding to pressure from unions to raise wages to pre-depression levels, and employers' warnings of the social catastrophy attending incautious increases in wage costs, Justice Cohen at first took the middle course. Having considered the state of the company's finance and trade unionists' existing wage rates, he concluded, 'In this state of things we recognise the necessity for considering the position of the company and the interest of shareholders', yet noting the failure of wharf labourers' wages to rise in step with economic recovery, he took a line from pre-depression days and sought 'to restore the previous position [where] employees were only received a fair share and the shareholders had only received a fair dividend'. 1

Subsequently, in the few cases he decided, Cohen adopted the capacity-to-pay principle. Fixing minimum wages for confectioners, 'we necessarily had regard to the existing conditions of the trade and its prospects. We think at the present time it would be highly unwise to do anything that would be likely to hamper the successful or the existing operations of the trade', 2 and in his next case, 'if there has been any change at all it has been for the worse. The consequence is we

¹ I.A.R. Wharf Labourers' Union v Newcastle & Hunter River Steamship Co. Ltd., Newcastle, p.1.

² I.A.R. (1903) N.S.W. Journeymen Confectioners' Union v The Manufacturing Confectioners' Assoc, p.11.

have arrived at the conclusion that we cannot increase the minimum wage now being generally earned. This was 36/- per week (1905).

There is a striking analogy between experience in the first years of the New South Wales and of the Commonwealth Courts. Both were presided over by judges 'drafted' into the job and who were clearly uncomfortable doing this type of adjudication. O'Connor resigned the presidency of the Commonwealth Court at the very first opportunity to be succeeded by the very capable and dedicated Judge Higgins, 2 so in New South Wales Cohen early made way for Judge Heydon who was cast distinctly in the Higgins' mould. Appointed to succeed Cohen in 1905, Heydon remained President of the Court for thirteen years (1905-18). Higgins presided over the Commonwealth Court for fourteen years (1907-21). Another marked similarity is that neither addressed himself to the problem of defining the Living Wage. Perhaps Cohen's general attitude was best summarized by Beeby who related, 'The late (sic) President always said "If they could possibly see their way to raising the wages without doing any serious injury to the operations of the

⁴ I.A.R. (1905) Tanners & Leather Dressers' Assoc. v Master Tanners & Curriers Assoc., pp.247-8.

Age, 6 April 1906, 'Mr Justice O'Connor...undertook the duties of office under protest'.

employers they would do it". This approach was very like O'Connor's whose judgments were vague and ambiguous, and though he believed that exceptionally, some criterion other than supply and demand was justified, e.g. when wages were 'literally...not enough to keep body and soul together', market value [was] always [to] be the most important element in any test [that was] applied'.

In the event it was Heydon, 'this capitalist second class lawyer, this strangely favoured mediocrity who never earned half his present income when hustling among his fellow sharks for a living at the bar' who presided over the first sustained attempt to fashion the principle on which wages of the unskilled labourer should be fixed.

The judgment in the N.S.W. Sawmill and Timberyard Employees' Association handed down in September 1905 might reasonably be called 'Heydon's Harvester'. In his very first case Heydon anticipated Higgins by two years by proclaiming: 'Every worker, however humble, shall receive enough to lead a human life, to marry and

N.S.W. Arb. Court. N.S.W. Sawmill & Timberyard Employees' Assoc. v Sydney & Suburban Timber Merchants' Assoc. Transcript of Proceedings, p.603.

¹ C.A.R. 27.

³ Thid

Ibid.

Worker, 12 August 1905.

to bring up a family and maintain them and himself with at any rate some small degree of comfort. 1

As in the Harvester case, this statement of principle was enunciated after a hearing during which the problem of fixing a Living Wage was discussed exhaustively. Significantly, there was no disputing by either party the obligation for industry to pay a Living Wage. The employers' spokesman believed 'The Court intimated that what they have to fix is a living wage; well, I am not disputing that', yet held, 'the employer is pretty conversant with the way these people live, their life and desires' and he deduced from this 'knowledge' that 36/- a week 'was a fair living wage'.2 Turning to the state of industry it was held that no more than this amount could be paid without disastrous consequences, and this was capped by employers' belief that 36/- was about what unskilled labour was worth. Thus the amount offered rested on the coincidence of three criteria; social welfare, capacity-to-pay, and value of work. Furthermore, whilst acknowledging their duty to pay a Living Wage, employers consistently held that this should be fixed at the amount currently

⁴ I.A.R. (1905), p.309.

N.S.W. Arb. Court. Sawmill & Timberyard Employees. Transcript, p.526.

earned by the least competent man. In this way, market forces, what men were living on, and the retention of all men currently employed could be reconciled.

The union's advocate, Beeby, questioned this rationale of existing rates, believing 36/- was paid not because it was a Living Wage, or for either of the other reasons advanced, but 'because that is the lowest rate at which he [the employer] could get labour under the existing competitive system'. Furthermore, the employees, even though organized in one of the strongest non-craft unions in New South Wales, could do nothing to improve wages outside the Court as 'in this industry [there was] plenty of labour available'. 3

Faced with continuing unfavourable labour market conditions, the unions were concerned to break through supply and demand determinants, substituting instead the social-welfare criterion. For it seemed to have been firmly believed the surfeit of unskilled labour would not be absorbed in the foreseeable future. Indeed, conditions could only worsen. The union's leading Counsel, who was certainly in close touch with the T. and L.C. during these years and might be

N.S.W. Arb. Court, Sawmill and Timberyard..., Transcript, p.515; for union's response see p.573.

Ibid., p.576.

⁾ Ibid., p.599.

expected to appreciate unionists' feelings and fears, cited linotyping, woodworking, shoemaking as examples of skilled men being deprived of their special capacities and reduced to the level of semi-skilled or unskilled workmen. Hence 'The army of the unskilled and partially skilled is becoming always increasing, and the competition is becoming keener and keener every day!, 2 and later, 'The experience of the last few years shows distinctly that in unskilled trades there is invariably a surplus of labour forced on the market by machinery. 3 And this was not merely of recent In 1896 the retiring president of the Melbourne T.H.C. spoke of 'the growing contest between Machinery and Skilled labor in which machines were gradually forcing men from employment; and urged that this grave question be faced.4

This 'grave' question was stated bluntly by the Tocsin thus:

The machine is breaking down the old dividing line between skilled and unskilled labour. Every day the need for skilled hands diminishes. Every day the man classed as unskilled increases. A machine is invented and lo! in a moment their handicraft is superfluous; all that is wanted is a machine

¹ Ibid., p.572.
2
 Ibid.
3
 Ibid., p.674.
4
 T.H.C., 3 July 1896.

tenderer; thus skilled workman of yesterday has become the unskilled of today having to earn his living by competing with the woman and child.

Unions' acute concern for the Living Wage, then, may have partly reflected a feeling of trepidation among all unionists stemming from the observed effects of craft-eroding technological innovation. Unionists previously secure in the knowledge that their craft protected their high wage standard may have been more anxious about a minimum standard not dependent on value of service offered and the scarcity factor of persons able to perform such specialized work. Their belief that the trend was set toward a proportionate decline in craft work, more workers falling into the semiskilled and unskilled workers category, heightened the demand for a minimum based on the social-welfare concept of needs.

Typical, then, is the assertion that 'there is a general tendency amongst the working classes in this industry to...make the absolute minimum for any man who offers his labour, that is a wage of 7s. a day', and the aspiration of every working man is for a basis of 7s. minimum, that any man's labour is worth 7s. a day ... that the bed-rock for a man's labour is 7s. a day'.

Tocsin, 7 July 1898. For other references to technological change and unionists' responses thereto see Appendix 5.

Sawmilling & Timberyard..., p.600.

³ Ibid., p.68**0**.

In formulating decisions, and more importantly the principles on which decisions were made, Heydon had to consider the conflicting demands of unions and employers, social pressures for a Living Wage for the unskilled and fair wages for others, the maintenance of industrial peace, and the imperative not to increase unemployment.

To clarify his own thinking on this many-sided problem and to stimulate discussion by the parties immediately concerned, Heydon initiated extremely protracted dialogues during the course of every case brought before the Court. Chiefly these were with C.S. Beeby who appeared most often for the unions in their early claims. The general theme turned on what was a Living Wage? how and at what level should it be set? and should it be a constant amount or vary with prosperity in particular industries? Then there was considered a second group of problems: what was the Court's function regarding the skilled and semi-skilled wage earners? had the Court any right or duty to intervene, to do anything save that which would have resulted if the Court did not exist?

Interjecting in a verbal dispute between the two advocates, Heydon proclaimed: 'There is one solid principle one can get hold of, and it is a blessing even to get that, that is, that in the case of the

Later Minister of Labour and Industry in the Holman Government.

labourer it must be a fair living wage'. Yet forced to give practical expression to this 'solid' principle, Heydon seems to have taken the general rate paid for unskilled work in rather less well paying sections of private industry. Though nowhere explicitly stating 36/- or thereabouts was the Living Wage, his comments in various cases and the character of his awards leave little doubt that this was the amount he conceived to be the absolute minimum he should prescribe. Thus, 'I do not think it will be possible in the long run for the 36s, a week man to be entirely eliminated from this industry....'²

Any wage other than the absolute minimum wage paid for unskilled work obliged the Court to apply different criteria, and it is here that the unskilled were coupled with semi-skilled and skilled. Once having ensured the minimum living standard for all wage earners, full or fuller account of 'economic factors' could be taken.

Addressing the claimant's counsel, Heydon posed the question:

Provided the employers do not indulge in Sweating, should they not be permitted to buy labour in the cheapest possible market? Could the Court reasonably and justifiably

Sawmilling & Timberyard..., p.576.

Ibid., p.517.

intervene to fix rates for any grade other than the lowest? 1

and later, 'protect them by a fair living wage but why should we given more than a living wage if the law of supply and demand enabled them to be got at that wage?'

There was then injected into the discussion the theory of the Court acting as a straight alternative to strikes:

Under the old conditions a strike took place. We will suppose that as a result...a certain wage was fixed...I say that this Act clearly is to do away with the method of striking and to substitute for it...a much superior method for the two classes to settle their disputes, a method of litigation [Heydon's equivalent of Higgins' 'New Province of Law and Order']. But, in deciding after litigation what the result should be, why should any different award be given than would have been given by the parties themselves if they had struck and fought?

(In this respect Heydon was a precursor of Higgins in that they both saw the legal process as a positive alternative to strikes and lockouts. The difference between them was the manner in which Higgins more readily and openly exercised the Court's power to support the weaker party in the wage bargaining process).

Ibid., p.588 also D.T. Sawkins, 'The Effects of the Living Wage Policy on Wages for Skill', Economic Record, Vol. 6, 1930, p.159.

z Sawmilling & Timberyard..., p.674.

³ Ibid., pp.673-4.

Higgins, New Province..., p.40.

Challenged to say how any hypothetical strike may have ended, Heydon retreated to quantifying different variables such as conditions of industry, profits, and supply and demand of labour.

Heydon applied this strike-outcome-equivalent criterion for semi-skilled and skilled work by awarding in most cases, the average wage currently paid (Table 32), assuming perhaps this was the amount the existing balance of power would otherwise determine.

As so few cases featuring unskilled wage earners came before the Court, it is difficult to establish precisely the guiding principles applied. In the Sawmilling Case, although the respondent firm was not required to show inability to pay more, only 36/- was prescribed, additional payments being made only in recognition of increased personal proficiency. Yet in later cases, wages for the unskilled varied from 35/- to 42/- per week. If the Court had consistently applied the principle of the bare Living Wage plus labour market forces for any extra, most likely nothing more than 36/- would have been prescribed.

Compendium of Living Wage Declarations and Reports made by the N.S.W. Board of Trade, 1921, p.29; Economic Record, Vol. 6, 1930, p.160; and Judge Beeby's observation in the A.E.U. v Metal Trade Employers' Association, (1928) Transcript, Vol. 3, p.1182.

TABLE 32

N.S.W. ARBITRATION COURT AWARDS, 1902-8

	Average weekly	<u>Wage</u>	Employer's	Wage
	wage before award	claimed	response	awarded
	$(\operatorname{sh}_{\bullet})$	(sh.)	<u>(sh.)</u>	(sh.)
Confectioners	50	55	50	50
Pastrycooks	30	30	30	30
Cutters and Trimmers	50	60	50	50
Tailors (male)	50	55	Disputed	50
Tailoresses	20	25	"	20
Coat Machinists	25	35	"	25
Mattress Makers	48	52	50	48
Wood Turners	52	60	52	52
Sawmill, Timberyard:	2-		<i></i>	<i></i>
Experienced labour	42	50-55	30	42
Ordinary labour	36	45	33-36	36-42
Marble and Slate Polishers	42	48	42	42
Broom Workers, 2nd class	36	36	30	35
Handle Painters	25-40	45	20-40	40
Book Binders and Paper Rulers	52	60 - 70	52	52
	48		52 48	
Farriers: floormen	48	50 50		47/6
Saddlers and Harners	40	50	Object any incr. wage	
Bricks and Brick Carters:			J	
Burners	48	60	Disputed	48
Setters	48	60	".	48
Drawers	48	60	**	48
Machinemen	48	48	Ħ	42
Asst. Machinemen	3 8	40	11	38
Loftmen	42	48	**	42
Panmen	44	52	n	44
Men in charge of winding gear	42	48	**	44
Shooters	48	64	n	52
Getters	48	64	11	48
Fillers	48	60	11	48
Yardmen	36	48	11	36
Pressers	48	72	"	48
Pressers! Assistants	40	60	11	40
Man cutting off	40	48	11	40
Feeders, etc.	42	52	11	42
Pottery, terra cotta:				
Pipe M/C workers	48	60	"	48
Dressers, etc.	42	54	**	42
Cutters, etc.	44	60	11	42
Drawers and Setters	44	60	H	42
Pipe Carriers and Yardmen	40	48	IT	42
Burners	42	54	II .	42
M/C feeders, etc.	40	94 44	11	42
Moulders and Pressers	48	60	"	48
	48	60	11	48
Panmen and Claymakers	54	66	54	60
Carpenters and Joiners	24	00	24	00

TABLE 32 (continued)

	Average weekly wage before award (sh.)	Wage claimed (sh.)	Employer's response (sh.)	Wage awarded (sh.)
Carpenters and Joiners				
(ship-building)	55	66	60	60
Tanners and Curriers:				
Curriers	45	50	45	45
Table hands	36	47/6	36	36
Rollermen)			40	
Beamsmen)	41	48	42	41
Unhairers and Scudders	36	45	36	48
Strikers	40	42	40	40
Yardmen and Shedmen	34	42	34	36
Brewery Employees:				
Tower Mill and Hands	44	45	Disputed	44
Caskwashing and Hands	42	45	ıt	40
Bottlers and Corkers	36	45	**	36
Packers and Loaders	40	45	18	40
Malthouse Hands	40	45	11	40
Storemen and Cellarmen	42	45	11	42
Draymen	43-46	45-55	11	43-46
Grooms	40	42-50	n .	40
Undertaker's Employees:				
Shopmen	45	50	45	47/6
Yardmen and Coachmen	30	42	42	45/6
Sydney Wharf Labourers	1	1/3	1	1/3
Broken Hill Miners:				
Shaftsmen	-	12	Reduce	Existing
Ordinary Miners		10	present	wages
Surface Employees over 16		9	wage 10%	
Plasterers	1/3	1/3	1	1/3
Newcastle Wharf Labourers	1	1	48	1
Ironworkers' Assistants	6/6	7/6	6/6	7
Wirenetting	48	54	Disputed	48

Awards where no information of pre-award wages was available have been excluded as have a few where it was not clear how hourly, daily and weekly wages earned, claimed or awarded compared.

Sources: Official Year Book of New South Wales, 1907/8, pp.494-519, and Industrial Arbitration Reports, vols 1-7.

A possible explanation may be found for better than 36/- awards for unskilled work in Heydon gradually shifting the Living Wage minimum away from 36/- to 42/- or rather, in the adoption of two different Living Wage levels: one based on the absolute minimum living standard tolerable in contemporary Australian society, the other reflecting the rising standard of living of other income receivers.

It must be repeated that the Court indulged in a perpetual process of self-scrutiny; of continuous examination of the principles by which it prescribed (The main dialogue between Heydon and wage rates. union's counsel in the Shop Assistants' case comprises over 500 pages of foolscap typescript). A reading of these cases indicates that from approximately 1906 the Court was increasingly troubled by the failure of wages for the lowest paid to rise above about 36/-. To apply the 1905 formula meant leaving the Living Wage static whilst other wages and non-wage incomes rose in line with increasing prosperity. Heydon was thus forced to look more critically at the fundamental postulate laid It was clear from evidence of down in his first case. crafts establishing trade union rates and of over-award payments that the supply and demand criterion was acting smartly to increase wages for the skilled and perhaps to a lesser degree for some semi-skilled. what of the unskilled? That industries in time of prosperity should finance a higher Living Wage seemed reasonable. Incomes of most in the community had

risen, therefore, what might be loosely called the standard of living had also risen.

In its judgment in the Shop Assistants' case the Court repeated its original formula, that is, to give more than a Living Wage 'where the workers could have won it for themselves, but not less than a fair living wage is their right if an industry can afford it'.

This was no different from what had been propounded two years earlier in the Sawmilling Case. Yet Heydon continued:

Clearly the [Living Wage] means more than merely enough to live on, for a man...could live very well without shoes or stockings. It means in the case of a man, enough to enable him to marry and live with his wife and family in a degree of comfort fairly attaching to his class...as good or bad times raise or depress the style of living, the living wage itself should rise or fall. When times are generally good, and the standard of living in the community rises, and also when the particular industry to which the worker belongs is prosperous... the living wage should be liberally construed.

And in the course of a protracted debate on wage principles conducted with both parties, Heydon felt 'I am very much inclined to think a living wage is not a fixed, but a varying amount'. 3

⁶ I.A.R. Shop Assistants' Union v Master Retailers' Association, and Mark Foy, p.149 (1907).

Ibid., pp.149-50.

Ibid. Transcript, p.1508.

This represented a radical modification of the Court's earlier position. As prosperity increased probably fewer industries could make out a convincing case for paying only the bare Living Wage, yet applying the supply and demand principle too frequently meant only this would be prescribed. Instead then, the very minimum rate of 36/- was to be applied only if it was demonstrated that industry could not pay more. Otherwise, something nearer the government standard Living Wage of 42/- was to be prescribed.

Exemplifying this changed basis of decision, in the Stovemakers' Case (1907) Heydon announced, 'In no case have we given adult workers less than £2. 2. 0 a week though we are of the opinion that in some instances the work is not worth it'. 1 Coupled with this was his rejection of the employers' offer of 35/-a week, affirming instead 'That is the rule we have laid down, they must give a fair living wage, if an industry can afford it to all adult workers', 2

It is instructive to underline the extent to which Heydon in the New South Wales Arbitration Court laid down the string of principles later proclaimed by Higgins as the 'New Province of Law and Order', 3 In

N.S.W. Arb. Court. Stove & Piano Frame Moulders Employees' Union of N.S.W. v Fred Metter & Co. Ltd. (1907) Transcript, p.342.

Ibid., p.311.

³ Pp.6-14.

the several awards given from 1905-7, Heydon trenchantly proclaimed Australia's discountenancing any industry unable to pay the Living Wage, hence 'We do not want industries in this country that cannot pay the living wage!, and again that if an industry is not able to financially to pay a wage which will allow of proper conditions of living, then...it is far better that the industry should not exist!. 2 The Court also spelled out quite as clearly as the Commonwealth Court the rejection of taking profits into account in assessing wages. Furthermore, the greater vulnerability of skilled men's wages in times of economic adversity was stressed by Heydon just as firmly as by Higgins. 3 In effect, dealing with similar problems in similar institutional, economic, social, and industrial circumstances, Heydon and Higgins came to approximately the same conclusions. If there was any dependence one on the other, the time sequence suggests Higgins emulated Heydon rather than vice versa.

One innovation remained for Higgins. Heydon, even in 1907-8, vacillated on the question of capacity to pay, and the fear of unemployment resulting from imprudent wage increases. He was still, even after Harvester, prepared to award less than 7/- a day if

Sawmilling and Timberyard..., p.573.

U.P.L.S..., p.412.

³ Sawmilling and Timberyard..., p.571.

convinced the conditions of a particular industry so dictated. In the Harvester case Higgins enunciated the 7/- standard and never deviated therefrom, whereas Heydon, as will later be shown, adhered to his fluctuating minimum criteria and readily reverted to the 36/- a week standard when conditions required it.

Because of the thin spread of industrial tribunals, on the eve of Harvester, wages of most unskilled in Victoria and New South Wales were determined by collective bargaining and individual wage contracts. Of those who did feature in determinations and awards not all received the government minimum of 42/-. In Victoria of the 43 boards prescribing wages for unskilled work, only three gave 42/-. Almost all prescribed 36/- or less.

FIGURE 6

MINIMUM WAGES PRESCRIBED BY VICTORIAN WAGE BOARDS AT 1907

Wage	Number of Boards
30/-	8
32/6	·
33/-	,
35/-	4
36/-	20
37/6	1
38/-	2
40/-	3
42/-	3

Except in the vaguest form, that is, proscribing wage payments which obviously were insufficient to maintain good health either for the wage earner or himself and his family, the Living Wage concept was not systematically considered or applied.

By 1907, the New South Wales Court had adopted a dual standard attempting thus to satisfy both main demands; to provide a Living Wage and to safeguard jobs. Heydon endorsed the Living Wage principle and guessed the appropriate amount as 36/- a week. Any higher wage was a prosperity loading removable if general living standards fell.

Of the two systems, that adopted in New South Wales contributed more to the refinement of the Living Wage concept. From the outset its centralised character provided the institutional setting within which to conduct the search set of inter-related wage principles. It being a permanent or continuing wage tribunal, dealing with all cases, the Court's hearings became the object of public attention and the focal point of labour's pressure for pre-depression wage standards. Unlike the dispersed and unco-ordinated Victorian wages board system, every award was a part of the foundational material for building a uniform wage structure. Though theoretically, the rule of precedence did not apply in the arbitration court, the need to reconcile awards in various industries, and the enormity of the task of judging each in isolation, persuaded Heydon to adopt a uniform 'guide' rate for

unskilled work applicable in all but the most exceptional cases.

Thus in New South Wales this extra dimension was added to the established system of collective bargaining. Whilst Victorians continued to operate a basically collective bargaining system which for most of two decades meant wages were settled according to the interests and capacities of separate industries, their neighbours developed a more legalistic and unitary system at the centre of which was an authority acting to apply set principles to all legal wage prescriptions.

CHAPTER 8

THE HARVESTER JUDGMENT

...the most carefully considered and most fearlessly deliberate judgement ever conducted and delivered by a court of law seeking to enforce not only the very letter but the spirit of the Statute....
A. St Leger. Australian Socialism (1909), p.205.

The prescription of a legal national minimum wage pre-supposes an institution or set of inter-connected institutions having jurisdiction covering all adult male wage earners. If there are significant areas left out or the institutional arrangements are insufficiently co-ordinated to ensure general uniformity, wages paid may vary from place to place and industry to industry. Conditions in the labour market may be dissimilar in different areas, whilst the peculiarities of various industries and historical factors can cause wages for roughly the same work to vary considerably. 1

In Australia during the years 1896-1921 separate legal wage-fixing institutions were set up by colonial, State, and Commonwealth parliaments. Because of

J.T. Dunlop, 'The Task of General Wage Theory' in The Theory of Wage Determination, ed. J.T. Dunlop, London 1957, pp. 20-2.

historical, political, and social factors the States established widely differing institutions while the Commonwealth tribunal was designed more to settle disputes extending across States than to discipline low paying employers. The confusion and overlapping of jurisdiction resulting from these several unrelated systems in the one economic trading area militated against raising the wages of unskilled to predepression standards. Concern for competitive ability was acute. Wages board chairmen were frequently forced to consider the effect of raising Victorian wages above those reported to be paid in New South Wales. 1

The Commonwealth Court, by contrast, could disregard such difficulties. Once a dispute was established as coming within its jurisdiction, the Court had power to stipulate wage conditions for wage earners anywhere in Australia. Uniformity was possible, and if the Court so decided, was assured.

Up to 1907, State tribunals had gone their own ways, noticing the decisions of other tribunals only in considering the limitations placed on their own determinations or awards. The next 14 years saw the gradual application of a standard wage for unskilled work that was not determined by regional conditions.

Victorian Royal Commission 1902-3..., p.649. N.S.W. Royal Comm., 1913, p.597.

It was a <u>national standard</u> reflecting the maturing of a national sentiment.

In practice, implementing this standard was mostly the work of the State tribunals. Yet in one important respect the Commonwealth Court's role was not insignificant. On the first occasion Higgins was required to state what was a 'fair and reasonable' minimum standard of living for the unskilled he proclaimed the 7/- a day wage and justified it in just these terms. The importance of Higgins and Harvester was to hold this minimum wage standard before public attention as the ideal to be adopted by Australian society. The Court's self assumed role was educational rather than practical: to set an example rather than itself implement the ideal.

This chapter briefly outlines the origins of the Commonwealth Court and the attitude of labour thereto. In equally brief terms it compares the strength of the parties to the Harvester case. The main section deals with an examination of the hearing itself as understood by reference to the transcript of proceedings and other relevant documentation. Reserved for the final chapter is an assessment of the Court's influence 1907-1921.

Supra, Table 13.

The Commonwealth Court

Possibly prompted by the continent-wide dimensions of the Maritime Strike¹ a few delegates to the 1891 Federation Convention stated the case for a Court to settle disputes extending beyond the boundaries and therefore the jurisdiction of State authority.² Rejected then, and again in 1897³ the efforts of Higgins, Kingston and others resulted in constitutional provision for just this purpose.⁴

Initially, union opinion was as hostile as that subsequently adopted by employer organisations. In 1900, Victorian unionists feared any federal court would be 'conservative', 'Employer of Sydney [would] co-operate with those of Melbourne and Adelaide to create inter-State disputes to impose worse conditions than State wages boards...' and in Sydney the T. & L.C. resolved '...that no power should be given to the Federal Parliament to legislate upon Factory Legislation which can be more effectively done by the separate States'.

R/C Strikes, op. cit., Q.6259 (Kingston's evidence).

J.H. Portus, <u>The Development of Australian Trade Union</u> <u>Law</u>, Melbourne 1958, p.113.

Ibid.

Ibid., also Hawke, op. cit., pp.423-7.

Tocsin, 3 January 1901.

T. & L.C., 11 July 1901: for re-affirmation of this attitude see 15 August 1901, 5 September 1901.

Disillusionment with State instrumentalities, growing awareness of the potential for social-welfare legislation by the more 'democratic' Commonwealth Parliament, and the difficulty answering, with any degree of self-conviction, employers! submissions that unco-ordinated (among States) wage increases would create more unemployment, turned labour to favour federal arbitration. Thus, in November 1902, unionists urged 'that a Compulsory Arbitration Act be passed by each State...and that a Federal Conciliation and Arbitration Act be made to deal with disputes extending beyond the limits of one State. 1 Spelling out the problem, Tocsin adverted to the 'Evident desire on the part of the Victorian Government and other State Governments to prevent progressive industrial legislation...such being the case it behoves us to look to the Commonwealth Court for relief'. 2 Pressure to widen the scope of the Federal Court, once instituted, was continuous³ and by November 1907 it was '...the opinion of [the] Council [T.H.C.] that the whole of the

Official Report of the Comm. T.U. Congress, Sydney, November 1902, p.20, for preliminary discussion of this policy change see T. & L.C., 24 February 1902, 17 July 1902, 21 October 1902.

²⁷ November 1902 also Official Report of the Federal Trade Union Congress, Melbourne 1907, p.1.

Broadhead, op. cit., p.89, A.S.E. A.C.M.R., May 1902, T. & L.C., 28 May 1903, 3 September 1903, 24 September 1903, 23 February 1904, 17 November 1904, 19 April 1906, T.H.C., 6 April 1906, Age, 6 April 1906.

industrial legislation of the several States should be taken over by the Commonwealth Parliament. This commitment to Federal control led to the unsuccessful referenda of 1911 and 1913.

Employers' hostility to the Court was described in Chapter 4. It is necessary here to add only that the importance certain employers' groups attached to protection may have been marginally influential in placing this measure on the Commonwealth Statute Book. In September 1903 for instance a leading Labour M.L.A. condemned the Barton Government for dropping the Conciliation and Arbitration Bill, adding '...unless protection was extended to the workers by such measures as conciliation and arbitration they would have to oppose Protection through the customs for the manufacturing employers'. It is also significant that no attempt was made to challenge the Act in the High Court until after the revised Tariff was secured.

Parties to the Harvester Case

From 7 October to 8 November 1907, the Court under its newly appointed President Justice Higgins, considered an application by a Victorian agricultural

Letter from T.H.C. in T. & L.C., 28 November 1907. The N.S.W. T. & L.C. reported back to Melbourne that the N.S.W. T. & L.C. had adopted a similar proposal.

T.H.C., 11 September 1903.

implement manufacturer to be granted exemption from excise duty in accordance with the Excise Tariff 1906 Act, on the grounds that 'conditions as to the remuneration of labour in the applicant's factory were fair and reasonable'. 1

The parties to the case were H.V. McKay, the largest manufacturer in the industry, and the Agricultural Implement Makers' Society. Possibly no industry better exemplifies the course and character of Australian industrial relations in the 1900s than agricultural implement making. The men's union typifies the experience of many others. Formed in 1885 the A.I.M.S. reached its highest point in 1890 only to collapse in 1893. After being reorganised in 1900 it was reported as 'thriving' in 1901. But

1900 = £2, 1901 = ni1, 1902 = £4.3. Even the 1902 figure suggests a membership of perhaps not more than

35 or 40.

² CAR 1.
2 Eight other unions were associated with the A.I.M.S. and no doubt helped finance the case.
3 J. Philipp, Trade Union Organisation..., p.6.
4 Appendix 4, Table 1,
5 Application of H.V. McKay..., p.512.
6 Ibid.
7 Tocsin, 26 September 1901, 'thriving' was almost certainly an exaggeration, see Appendix 4, Table 1, pp.A35-6. Membership-based fees to the T.H.C. were

little growth occurred before 1906¹ at which time 'less than 25 per cent of the possible membership were organised'.²

On resuscitation, the union had tried to get a wages board but without success until 1907. Refusing to accept the Reputable Employers Clause, the union looked instead to the Excise Tariff Act for wage improvements. After the High Court ruled the Act unconstitutional, the A.I.M.S. reverted to the wages board and in 1909 accepted, albiet reluctantly, a scale of wages lower than the Harvester Standard.

Although there were many manufacturers of agricultural machinery in Victoria, South Australia, Queensland and New South Wales, Hugh Victor McKay of Victoria dominated the industry. In contemporary Australian society, McKay epitomised High Protection. Active in the campaign to secure protection for the

Ibid. In 1905 <u>Tocsin</u> reported there to have been only 70 unionists out of 2,000 workers (20 October 1905).

Comm. Parl. Deb. 1906, Vol. V, p.1813.

Supra, p.289.

Worker, 6 August 1908, see also Chief Inspector of Factories' Annual Report for 1912, pp.142-3.

Ibid., 1907, p.14.

Vic. Parl. Papers, 1909, Vol. 2, p.91.

industry under the first Federal Tariff, he took a prominent part in manufacturers' efforts to break the fiscal truce. In so doing he readily undertook to improve wages and give more constant work to his employees, and was probably privy to the organising of a 'company' union which co-operated with the firm in making a joint submission to Parliament demanding greater protection.

Perhaps less typically, McKay maintained an almost complete non-union shop.⁵ His leadership of the protectionist agitation earned him the hostility of

Comm. Parl. Deb., 1901-2, Vol. VII, p.8490.

Argus, 6 September 1906.

R/C Tariff, Comm. Parl. Papers, 1906, Vol. V, pp.83, 117, also Application of H.V. McKay..., pp.133-4.

See T.H.C., various dates, October 1905 to November 1906. The 'spontaneous' mass meetings and union/employer conferences held at McKay's during which the Australian Agricultural Implement & Machine Employees' Defence Association was formed had their counterparts in various other industries such as wickerworking (R/C Tariff, P/P 1906, Vol. 5, p.1621), furniture (p.1650), plate and stained glass (p.1443), cooperage (p.1847), and jewellery (p.1903). There can be little serious doubt of the high degree of co-operation between employers and unions to organise joint representations to Parliament, pressing for higher protection. (For the demise of the A.A.I. & M.E.D.A. see T.H.C., 5 October 1906).

Application of H.V. McKay..., p.559; also <u>Tocsin</u>, 13 October 1904.

Free Traders and the pastoralists. Yet he also attracted the opprobrium of some Liberal Protectionists by his unremitting opposition to wages boards. It was commonly believed he transferred his works from Ballarat to Braybrook, 'admittedly in the hope of evading the operation of the Wages Board'.

Trade unionists' ill-will ensured by all these factors, was reinforced when McKay appealed against the Harvester Judgment and secured its rejection by the High Court. Apparently little had changed by 1911 when, in the course of a strike in the industry it was reported, 'the employers [would be] satisfied with nothing less than the extinction of the union'.5

Appearing before Higgins then was a weak, penurious union representing only a small fraction of the poorly paid men working in this apparently

<u>Argus</u>, 9 August 1906, 15 August 1906, 6 September 1906, 14 November 1907, 20 November 1907, <u>S.M.H.</u>, 13 July 1906, 6 September 1906.

Pastoralists Review, Vol. 15, p.685.

Argus, 9 August 1906 and 15 August 1906.

Worker, 16 November 1905, also Argus, 9 August 1906; A.S.E. A.C.M.R., April 1909; Application of H.V. McKay, p.143.

T. & L.C., 23 March 1911.

For details of wages paid by McKay in 1906 (skilled 36/- unskilled 25/- a week) and union/employer co-operation to raise the tariff, see potted history of industrial relations in the industry, <u>Worker</u> report, 2 March 1911.

prosperous industry. Ranged against them was a powerful, wealthy, anti-unionist, anti-wages board employer, disliked by some of the major groups in society.

The Harvester Hearing

The attitudes of the parties to the 'dispute' were those in evidence in State tribunals. Employers generally favoured individualism, extolled the virtues of payment for individual service, and were prepared to accept a minimum wage only if it were set at a level at which it made little real difference. The union stood for collectivism, payment for a specific class of work, wage rates determined in the light of profit levels in particular industries, and an ill-defined and flexible minimum Living Wage.

In one respect, however, the two parties had shifted their positions slightly from those taken in State tribunals. From 1905, public debate on industrial affairs had been conducted in the context of New Protection, that is, those industries granted additional tariff protection should be obliged to pay wages that were 'fair and reasonable'. Conditional tariff protection was now judged by the unions to be the most effective device so far devised to force

R.S. Walpole 'The True Basis of the Living Wage' paper read to the 1905-6 Victorian Employers' Federation, p.15.

employers to produce their books and balance sheets in evidence, to measure different firms' real ability to pay high or higher wages, and for wage decisions to be legally enforced. They, therefore, placed most emphasis on the 'gains' resulting from the tariff. For the purpose of the hearing, employers were compelled to couch their usual responses in slightly different terms. They held that the tariff more ensured regular employment than permitted increased wages, and that anyway, value for work was the 'fairest' and 'most reasonable' method of rewarding labour.

From the contemporary observer's standpoint, there would appear to have been no reason to suppose ex-Parte McKay would differ from earlier applications for excise duty exemption. Only five months before, the Court, hearing applications from South Australian manufacturers, had issued Certificates of Exemption to a number of firms who, following a conference with the unions had agreed to pay 6/6 a day to unskilled labourers, and sub-union rates for skilled workemen. 2

In his remarks during the hearing and in his written report O'Connor held to strict orthodoxy: some vague references to a Living Wage, the need to consider the financial position of the industry, and numerous

¹ CAR 122, re Bagshaw.

For union/employer conference, see Argus, 22 June 1907.

TABLE_33

Comparative Award Rates for the Agricultural Implement Makers' industry - 1907.

Grade	O'Connor's Judgment	Higgins! Judgment
	June 1907	November 1907
Labourers unskilled	6/6	7/-
Labourers skilled	7/6	7/6
Blacksmiths	8/- to 9/-	10/-
Fitters	8/- to 9/-	10/-
Turners	8/- to 9/-	10/-
Furnacemen	8/-	9/-
Moulders	9/- to 9/6	10/-
Sheet ironworkers	8/- to 9/-	9/-
Carpenters	9/- to $10/-$	10/-
Painters	8/-	9/- to 10/-
Wheelwrights	9/-	10/-
Pattern Makers	10/- to 11/-	11/-
Source:	1 CAR 129	2 CAR 19

remarks relating the court's reluctance to intervene at all.

It is understandable then that both parties should have commenced on much the same lines as had cases in the New South Wales Court. The union's opening submission called for examination of the respondent's books, 2 'as evidence of capacity to pay' to ensure that 'money made out of the (protected) article is fairly divided between employer and employee'. 3 Thus the unions, now reinforced by New Protection legislation, continued to uphold the relationship of wages and the capacity to pay in particular industries. It followed, and the unions readily endorsed the conclusion, that wages were fair and reasonable in an unprotected industry were not necessarily fair and reasonable in a protected industry. 4

Conversely the employers, acutely conscious of being at a disadvantage, persevered with their theory of work value, but probably believing Higgins would follow the precedent set by O'Connor, undertook, so as to avoid the obligation to produce their books, to pay any wage rate the Court should declare.⁵

Bagshaw, op. cit., pp.122-6.

Application of H.V. McKay, pp.4-5. O'Connor had ordered the South Australian applicants to do this.

Application of H.V. McKay, p.4.

Ibid., pp.327-30.

Ibid., p.16.

From the outset, Higgins set himself to radically influence established attitudes and to direct the proceedings into different and broader channels. Employers and unions had, in keeping with all that had gone before, prepared their briefs to argue the case within the limitations of the agricultural implements industry: Higgins, in contrast, was clearly determined to use the hearing as a vehicle for a wages policy of national dimensions. His background and sympathies all point to his having pre-determined ideas on the outcome of the hearing, despite occasional observations such as 'I may say I don't regard these discussions as a waste of time, because I am feeling my way through a very difficult matter and I am glad to have counsel's advice'.

To lay the foundations of a method of wage determination whereby the living standard of the lowest paid wage earners would be cushioned from the effects of economic fluctuations, and industrial conflict might be minimised, Higgins believed he must secure a consensus of opinion (employers, employed and the general public) on the economic criteria to be applied. Here is to be detected the influence of the Webbs who

Supra, pp.2-19.

Application of H.V. McKay..., p.47, also Comm. Court. Marine Cooks, Bakers, and Butchers' Association of Australia, and The Commonwealth Steamship Owners' Association (1908) Transcript of Proceedings, p.18.

taught that the secret of success for peaceful industrial relations in England's iron trade was unanimity of agreement on wage criteria: 'in this one industry in which arbitration has achieved a continuous success we find the workmen and employers agreeing about the economic assumptions upon which wages should be fixed'. ¹

The respondent, though manifestly reluctant to change from the principle of payment for individual worth and supply and demand forces in the labour market was alternatively coaxed and bullied into accepting the over-riding principle of a minimum wage based ostensibly on the human needs of the unskilled worker. Other wages were then to be decided principally by noting 'customary differentials'.

It is not really so remarkable that they should have been persuaded to change ground. What would have been thought absurd a decade earlier was now the hallmark of a respectable and responsible employer, and while the tariff legislation was en route through

S. & B. Webb, <u>Industrial Democracy</u>, London 1897, p.232. Higgins quoted from this book in the Harvester hearing and also from Booth's <u>Life and Labour</u> during the Cooks, Bakers and Butchers case, Transcript, p.65. For the influence of the Webbs and others on Higgins see
N. Palmer, op. cit., p.124; Higgins Paper ref. 1057/201 - correspondence with Sydney Webb, also 1057/730; 1057/221 correspondence with Seebohm Rowntree.

Parliament, manufacturing employers were anxious to appear as paragons of virtue! Throughout the protracted hearings of the Royal Commission on the tariff, the great majority of employers had vied with each other to sound the loudest praise of wage fixing tribunals and of paying a living wage to their employees. Committed thus, and judiciously prompted by Higgins, the employer's side could hardly oppose the principle of a minimum wage based on needs. Though weakly objecting to consideration of the cost of living in fixing the minimum, little spirited resistance was offered. Toward the end of the hearing, Higgins asked if the employers could 'impugn any part of the theory that the wage for a labourer shall involve sine qua non, the cost of living and with the cost of living and such things as are fairly incidental to a civilized human life for a person in that position. In reply McKay's counsel agreed: 'I think I may admit that some such interpretation must be given to the Act!.2

It should not be deduced from this grudging admission that other employers concurred, or not immediately. In the following year a much more representative employer organisation³ renewed the challenge, asserting that the Court's ruling in the

Application of H.V. McKay..., p.624.

[~] Ibid.

³The Commonwealth Steamship Owners' Association.

ex-Parte McKay judgment was irrelevant to arbitration cases proper; where the Court's function was to settle industrial disputes, not to say what were 'fair and reasonable wages'. But neither Higgins nor the unions would relinquish the needs-based minimum wage principle. Section 40 of the Act empowered the Court to 'fix a minimum wage' and Higgins went to great lengths to show the connection between dispute settlement and setting a minimum wage based on needs: 'there is no doubt in trying to come to a just conclusion as to how the dispute should be settled I ought to take into account what a man needs to live on properly. I cannot see any better starting point than that!. ²

In the Harvester case, Higgins had more trouble with the union than the employer. For most of the hearing, both the men's counsel³ and leading trade unionists urged the Court to interpret the Excise Tariff Act, 'introduced specifically for the worker'

Marine Cooks, Bakers and Butchers..., p.P13, also pp.P42-4.

Ibid., for similar view held by Seebohm Rowntree see Briggs, op. cit., pp.108-9.

Duffy, K.C. When, 'for want of funds', the unions had to 'dispense with counsel' (p.671), Mr Arthur who had earlier given evidence 'for certain unions of ironworkers' (pp.552-89) conducted the case for the unions.

Application of H.V. McKay, op. cit., p.4.

to mean the sharing of profits, to 'prefer something extra on those immediately concerned...a fair wage plus something for the protection which is given to the harvester manufacturers by getting this enormous excise exemption'. In the strict meaning of the Act, and the intention of the New Protection concept, the union was on firm ground; but Higgins was not concerned with sectional interests, with guaranteeing the employees their ounce of flesh. His purpose was to widen the issue of wage determination to a national level; to raise the living standards of the considerable number of workmen who were currently receiving wages inferior to what he deemed a minimum standard.

Replying to the suggestion that wages should take account of profit levels he stressed the dangers of establishing a principle which would work to the detriment of the employed during economic depression and also when the Court heard cases where it might be proven that profits were low or negative. He possibly realised from his training and from experience that competition among employers for labour resources tended to raise wages in the more prosperous industries, thereby achieving at least a part of the end desired by unionists. Much closer to his beliefs, however, were the interests of workers in the less prosperous

Ibid., pp.327-9.

Ibid., pp.6, 10, 186-7, 327-9; Marine Cooks, Bakers and Butchers'..., p.G18.

industries and of the mass of unskilled, especially those not strongly organised; to safeguard the living standard of those who for a variety of reasons, might periodically slip below that level which society thought adequate for reasonable living. Yet Higgins was not blind to economic factors. Neither did he set a standard incommensurate with either the condition of the national economy or the industry concerned. In a letter to the Attorney General, Higgins complained:

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Of course I did not refuse to consider what wages the industry could stand. If I did take that attitude I should not have confined my findings to 7/- per day for the unskilled worker with increases for skill I was asked by the counsel for McKay's opponents to order him to produce his books. This would have revealed his position and his methods to his rivals in trade; and to no purpose as McKay admitted that he was able to pay fair and reasonable wages. Whatever they should be found. I said 'let all the cards be on the table or none; and that so long as fair wages were paid the federal parliament did not mean me to pry into manufacturers' profits. It would be ridiculous to make a manufacturer pay high wages when there are big profits, unless I allowed other manufacturers to pay low wages when there are small profits. 1

Once persuaded of the futility of pressing the profit-sharing principle, the unions appearing in cases before the Commonwealth Court joined with Higgins in

²⁹ June 1908 in the Littleton Groom Collection, Manuscript section of A.N.L.

making the 'needs' principle paramount, 1 and to obtaining the highest possible 'minimum', erecting thereon a series of margins for special capacities. This view was also adopted by employers. 2

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'Seven Shillings a Day'

How and why did the Court fix the minimum at 7/- per day? It has been suggested that Higgins, the unions and soon after the employers subscribed to the view that the unskilled worker should have sufficient to live as a civilized human being, etc. 'I have to bear in mind his position in society, what is expected of him, and what the public looks upon him as bound to do'. But why 7/-?

In his carefully worded report, Higgins related his 'hesitation between 7s and 7s.6d but I put the minimum at 7s. as I do not think I could refuse to declare an employers' remuneration to be fair and reasonable if I find him paying 7s.' The immediate

Comm. Court. Barrier Branch of the Amal. Miners' Assoc. of Broken Hill v B.H.P. (1909) Transcript, Vol. 1, p.55; Marine Stewards and Pantrymen's Assoc. of Australia v Comm. Steamship Owners' Assoc. (1910) Transcript, pp.26-8.

Barrier Branch..., op. cit.; Marine Stewards..., p.28. Also, The Australian Boot Trade Employees' Federation v Whybrow and others (1910) Transcript, p.356.

Application of H.V. McKay..., p.597.

² CAR 1 at p.7.

quantitative evidence of minimum living costs available for his guidance was the series of 'lists' submitted to the Court by union officials and/or their wives. (Table 34). Much quoted as these have been, they cannot have done more than demonstrate the poor conditions experienced by families of some unskilled workers having but a single income. Certainly, it would have been difficult for anyone to have arrived at a figure of 7/- per day as sufficient to maintain a family of five; for averaged crudely the barest needs wage would have been 46/4, and this without such items as show in families numbers 1 and 2.

TABLE 34
Unskilled Workingman's Budgets - offered in evidence at Harvester Hearing.

	<u>£</u> s d	Number of Children	Remarks
(1)	2. 0. 6	4	Without rent, fares or clothes.
(2)	2. 5. 9	2	Without fares, clothes, tobacco, beer, furniture, travel, lighting.
(3) (4) (5) (6) (7) (8) (9) (10) (11)	$3.13.7$ $2.9.9$ $1.18.0$ $2.2.7$ $2.12.10$ $2.4.6$ $2.9.9$ $2.7.11\frac{1}{2}$ $2.12.7$	7 6 1 1 5 1 4 2 _3	
	$26.17.9\frac{1}{2}$	<u>36</u>	

Average budget £2. 8.10. Average number of children 3.27. Average budget for family of 5 persons £2. 6. 4.

A number of writers have contended that the Court fixed a wage that was being paid on average by reputable employers. An eminent student of industrial affairs during this period for instance, wrote: 'the Harvester Basic Wage was not determined as a result of a complete inquiry into all the items of necessary expenditure, but as a result of a partial investigation and the adoption of a daily wage being paid by what Mr Justice Higgins described as reputable employers....'
In fact, there seems to have been two main streams of thought that induced Higgins to set the minimum at 7/-per day: one indirect and general, the other direct and specific.

From the early nineties, labour spokesmen and others concerned with the fall in money wages had nostalgically recalled the high wage standard of former decades. The 7/- a day for labourers came to be thought of as a state of normalcy; that any lesser wage was an aberration, possibly understandable during the depression, but to be remedied at the earliest moment. Thus, whenever the subject matter turned to wages, be it in Parliament, the press or in industrial tribunal hearings, the ideal to be attained was the money wage of 'seven shillings a day for the unskilled'. Whenever governments were called on to set an example to private employers, whether by minimum wage clauses in contracts

Sutcliffe, Queensland Industrial Gazette, op. cit., p.821.

or paying their own staff, invariably the minimum wage quoted was 7/-. During the debate held in the New South Wales Parliament (September 1894) there were frequent references to 7/- per day as the proper rate. Coghlan wrote that on Lyne becoming premier to New South Wales in 1900, almost his first administrative act of importance was to fix the minimum wage for workmen in Government employ at 7/- per diem. 2 Second Session of the New South Wales Parliament (1902) Mr Kelly moved 'That it is the opinion of this House that the minimum rate of wage for railway and tram employees and police should be 7/- a day!.3 sentiment was echoed by a number of speakers and even members in opposition were not in disagreement with the motion's intention: 'While I take this attitude, I am as anxious as my hon, friends that everyone should receive 7/- a day...the poorest classes, who have to work hard for their living ... should be levelled up as far as possible. 4 In a variety of trades and

Supra, p.347.

Coghlan, op. cit., p.2214: also G. Black, The Labor Party in N.S.W. A History of its Formation 1891 until 1904 (Pamphlet) p.22: <u>Pastoralists' Review</u>, Vol. 10 (1900) pp.542, 621, Vol. II, p.165: N.S.W. Votes and Proceedings of Legislative Assembly 1900 Vol. 6. Annual Report of Govt. Lab. Bureau, p.3; T. & L.C., 15 August 1901.

N.S.W. Parl. Deb. Second Series, Session 1902, Vol. IX, p.5191.

Ibid., pp.5194-5.

occupations, disputes over wage levels or representations to government departments, railways or municipal authorities, almost without exception the almost legendary 7/- per day was the minimum demanded for the unskilled labourer. Mention can be made to demands for this wage by or on behalf of railway navvies, 1 Queensland labourers, 2 the boot trade, 3 ironworkers' assistants, 4 general railway employees (Victoria), 5 builders' labourers, 6 tramway men, 7 South Australian government servants, 8 New South Wales labourers generally, 9 tobacco workers, 10 stovemakers, 11

Morker, 4 February 1904; Coghlan, op. cit., p.2046.

Ibid., p.2059.

Vic. Parl. Papers, 1902, Vol. II, Chief Inspector of Factories' Report for 1901, p.12.

Minute books of the Sheet Metal Workers' (Sydney) Uniter States of Company C

Minute books of the Sheet Metal Workers' (Sydney) Union 14 June 1901, quoted in W. Hargreaves' 'History of the Federated Moulders' (Metals) Union of Australia, 1858-1958', p.38.

Argus, 23 April 1906; Age, 23 April 1906.

Turner, op. cit., p.15.

Q.W., 6 May 1905; Argus, 4 August 1906.

Worker, 30 August 1906, 24 January 1907, 11 July 1907.

N.S.W. Arbitration Reports, Vol. VI 1907, p.177; T. & L.C. Minutes, 24 August 1905.

<u>S.M.H.</u>, 26 July 1907.

Worker, 19 September 1907.

sawmilling, ¹ Victorian building labourers, ² the unemployed, ³ pastoral workers, ⁴ Sydney and Manly Ferry workers, ⁵ monumental masons' labourers. ⁶

By 1907, the fixing of a money wage of 7/- per day for unskilled workers had become something of a social creed: an amount on which almost every section of opinion could agree, even though ideas of its application, methods and timing may not have attracted the same degree of unanimity. Hence in fixing 7/- per day, Higgins set a minimum standard of living which had been approved by most elements of society; a consensus of thought which was itself the culmination of a long educative process in Australian society. 7

N.S.W. Arb. Court, Sawmilling case (1905) op. cit., Transcript, p.23.

Tocsin, 3 November 1898.

T.H. Kewley, 'Social Services in Australia' (pamphlet) Sydney, undated, p.9; N.S.W. Votes and Proceedings, 1900, Vol. 6, Annual Report of the Government Labour Bureau, p.3.

Official Report of the Fourteenth Annual Conference of the A.W.U., January 1900, p.4.

T. & L.C. Minutes, 9 October 1902.

<u>Q.W</u>., 16 July 1904.

Higgins' line of questioning during Court hearings shows his acceptance of the proposition that wages should be brought up to the high level of the 1880s. In almost every case he drew analogies with predepression standards and pressed both employers and unions to produce evidence of wages formerly received.

The second strand of thought, and possibly the more relevant to the topic of this inquiry is the 'collective bargaining equivalent'. Higgins believed strongly in raising the standards of living of the poorest section of the working community; equally, he subscribed to the general feeling that 7/- per day was about the right amount to be paid to the unskilled. But judged by the direction of his questions and the character of his asides in the Harvester and subsequent cases, he apparently needed something more definite on which to base the specific amount to provide the average unskilled worker's family with the highest standard of living the economy could sustain. We can here only speculate about whether he was genuinely concerned with possible deleterious effects of fixing the minimum wage too high, or whether he believed the national economy had picked up sufficiently to sustain pre-depression figures. Given the paucity of statistics of his day he could apply only a rule of thumb method of measuring national economic capacity. It was true, labourers in building, general engineering and a few other industries had regained something approaching former high levels; but there were still large numbers of adult male wage earners paid considerably below 7/- per day. The dilemma for Higgins was to know to what extent wages paid to these hung below this amount because of the economy's unreadiness to sustain improved rates, or to wage earners! lack of bargaining strength to force employers (who could 'afford' it) to pay more. In the event he employed another rule of

thumb technique, albeit a more reliable one than that of a general impression of the stage reached in national economic recovery. He resorted to making intelligent guesses at what rate might be the outcome of a collective bargain between an association of employers and an equally powerful union of men:

reasonable, if there were a collective bargain between the whole body of workers and the whole body of employees (sic). Supposing they met together, and said 'pull devil pull baker we will do our best....' Then what would be a fair and reasonable collective bargain between workers on the one side and employers on the other?

And later:

...the legislature says that I must look at what would be fair remuneration assuming the two parties were not on the basis of individual bargaining but were on the basis, where each party is as strong as the other.

In the Cooks, Bakers and Butchers' case Higgins returned to this theme, asking:

You see the aspect in which I approach it. Supposing there was a collective agreement to last five years between the owners and the seamen, what would that agreement contain? I admit it is a hard problem but under the circumstances of the prosperous and increasingly prosperous trade as I know at the present, the seamen ask for better terms, what terms could one reasonably

Application of H.V. McKay..., p.19.2
Ibid., p.596.

suppose the owners and seamen to assent to? Mark you, you would have to get the consent of the owners, and of course the consent of the seamen. That is the idea I should aim at. Under the present conditions they are gradually feeling their feet and having already got a strong footing in the 80s and having been beaten back in the 90s now in the 1900s, having regard to the prosperous conditions and so forth, what should I reasonably suppose would be the conditions they would agree to collectively? The collective agreement is the essence of the thing.

This statement has been reproduced in full because, more than any other, it seems to contain the kernel of Higgins' ideas: that is, a collective agreement between parties of equal strength was the ideal way of fixing wages; yet formerly strong unions had only partly recovered since the depression; the existing inequality should be redressed by the Court; and finally his feeling that times were more prosperous - but how much more and how to measure what the economy could stand?

In the Harvester case, the employers contributed little to this line of thought. The unions, however, indicated their approval of the collective bargain equivalent concept with appropriate celerity. Responding to Higgins' proposal, their spokesman offered as the first guide as 'to what a fair and reasonable rate should be...the rates which have been

Transcript, p.L60.

He gave as his example the agreement struck by employers and employed in the 'engineering trade'. Higgins concurred. To the union's submission, 'On the collective bargaining argument, the Union rates point to the conclusion of 7/- a day', he said 'That is what I feel. If you take that as a test, if you can have a collective bargain, the employers pulling all he can for his side and the employees as a collective body pulling all they can for their side, I think they would come to 7/-'. And so he decided.

In the Harvester and later cases, Higgins had two main objectives; to give substance to a personal and social aspiration which, in his view, was overlong in being implemented - that is the provision of a minimum standard of living for all Australian male wage earners; and to cut back the rising incidence of industrial strife. To achieve both he urged the ending of the long debate on whether exceptions ought to be made in providing a minimum wage of 7/- a day in deference to alleged impecuniosity of individual employers or

Application of H.V. McKay..., p. 567.

[.] Ibid.

[]] | Ibid., p.576.

Ibid.

industries and the fear of unemployment resulting from an 'unrealistically' high wage standard. Further, by both giving generous awards and adopting criteria amendable to the unions and employers, viz., a 'needs-based' minimum for unskilled and 'customary' margins for others, he sought to extract the venom from Australian industrial relations by elevating them to '..,a new province of the realm of law'.

The outcome of Harvester and its companion piece the Cooks, Bakers and Butchers' case can perhaps be judged by contrasting the attitudes of the parties Ostensibly and for a while at least, before and after. the Webbian desideratum had been achieved: both parties to disputes coming before the Court accepted the same fundamental economic criteria on which wage decisions should be made - a foundational amount based on the wage generally paid to labourers before the nineties' depression and an hierarchy of higher paid jobs rewarded in accordance with relative skill as reflected in custom and practice. The unions were persuaded to jettison the principle of direct profit sharing, while employers quietly shelved their cherished principle of payment according to work value and supply and demand factors. Beneath and beyond this

Higgins' reference (on the occasion of his swearing in as a High Court Judge) to O'Connor's work in the Conciliation and Arbitration Court. Report in the Worker, 18 October 1906.

the Court established its role of a mediator and arbiter within the system of industrial relations based on the collective bargain.

Assessment of the significance of the Harvester Judgment cannot be made in isolation from subsequent events. We may turn then, in the following chapter, to an evaluation of the decision both in its own time and place and in the perspective of the subsequent 14 years. Our point of departure is in the fact that a clear declaration of intent, in terms and words that were by no means novel, had now been made by a national instrumentality through the decision of the President of the Commonwealth Court.

CHAPTER 9

POST HARVESTER

Coupling the Harvester Judgment with the Cooks, Bakers and Butchers! award it is reasonably clear that Higgins intended the Court to be the means of achieving a set of social ideals he and others had held for some At least from the mid-nineties he had believed that industrial relations should be regulated within a system of law. He was further convinced that Federal authority was most appropriate for establishing clearly defined and uniform social and legal principles. secure maximum justice for wage earners the Court should act to ensure an evenly balanced power relationship between organised capital and labour. Finally, Higgins held the Court should be society's instrument for complementing other social welfare measures such as old age pensions, by guaranteeing an irreducible minimum wage for the lowest paid adult male worker.

Hence, all who came to the Federal Court would be thus treated. Disputes would not be allowed to disrupt the economy causing avoidable social distress; unionists' weakness would be shored up enabling them to strike fair wage bargains with employers; and all unskilled work would be paid for at no less a wage than the Australian minimum standard of 7/- a day. Realising, however, the limitations imposed on the

Court's jurisdiction by the Constitution and in turn by the High Court, Higgins believed that State tribunals would accept his minimum wage standard and thus make good the ideal he held.

Yet he may have well under-estimated the magnitude of the task and the considerable difficulties first to be overcome. Social engineering is probably so much more complex than practically any other form of design, plan and construction. The inception of major social innovations, without serious social discord, requires the reconciliation of various interest groups, overcoming powerful conservative resistances, persuading the sceptical that change is for the general good, that new economic and social arrangements have a net positive value. Moreover, institutions developed for a specific social purpose are usually experimental in character and are subject to radical change and improvement as weaknesses are revealed. re-orientation of social thought and the provision of effective institutions to implement innovatory ideas is often a long and controversial process.

It would be understandable that on institutional grounds alone and in 'normal' times, some years would elapse before a certain minimum living standard for all wage earners was politically, socially, economically and institutionally feasible. But whereas perhaps the years 1905 to 1909 were propitious to instituting this facet of social-welfare provision, economic conditions changed to make the task infinitely more difficult.

The direct influence of the Harvester Judgment on the Australian wage structure may be discussed under two main headings:

- (1) how soon were institutional arrangements for legal wage determination extended to cover all wage payments made for unskilled work, and how far did the State institutions adopt Higgins' concept of an inviolable Living Wage for unskilled worker however menial?
- (2) what exogenous factors intruded to disrupt the work of the developing institutions and reduce their efficiency?

It may be apposite perhaps before considering these questions to discuss briefly the reality or economic viability of the Harvester Standard in the period 1907-1921.

In chapter 2 it was suggested that on average, real wages paid to the lowest paid adult male wage earner never exceeded about 37/- (e.g. Victoria 1911) and for most the years 1901-1921 it was lower than this amount. It follows that consideration of whether in fact a 7/- wage for unskilled work in 1907 and after was economically viable is mostly conjectural; and the problem is made no less difficult by the doubtful character or complete absence of quantitative statistical data to give a guide.

However, it may be helpful to apply one simple test; to compare economic conditions in 1907-8 when the 7/- standard was mooted with those in 1921 when it was fully achieved, in national terms.

Comparisons of the two years by using census work force data for 1901, Keating's for 1911 and 1921, together with Butlin's G.D.P. (deflated) figures shows the unlikelihood of real output per unit of the work force increasing over the period. In these terms the national economy was no more or no less 'ready' to sustain the Higgins' real wage standard in 1921 than at the time of Harvester.

Yet certain important changes had occurred. By 1921, a smaller proportion of the work force was located in industries producing for the export market where cost conditions were strongly influenced by world prices. Moreover, import competing manufacturing industries were more highly protected in 1921 and might well have been able to accommodate a higher wage level for this, the lowest grade of adult male labour. Possibly the type of manufacturing industry most vulnerable to import competition — those having earlier developed partly on the strength of cheap unskilled

Estimates made by M.S. Keating, Economic History Department, Institute of Advanced Studies, A.N.U., November 1966.

Butlin, Australian Domestic Product..., Table 269, pp.460-1.

labour - had gradually adjusted their costs structures to absorb somewhat higher wages.

The question of margins is basic; rates for unskilled cannot be considered in isolation. In 1907-8 nominal wage rate margins for skill were greater than either before the depression or in 1921. Had the Harvester Standard been imposed in 1907 and existing margins maintained, the impact on production costs might have been greater than after the war, when through a process of erosion, margins had narrowed to approximately the pre-1890s depression standard.

Assuming economic capacity measured either by real output per unit of the work force or per capita G.D.P. had not increased, it follows that raising the real wage paid for unskilled work was made possible by a redistribution of income. This may have come from,

- (a) a gradual re-distribution of income from skilled wage earners to those doing unskilled work;
- (b) reduced profits in some non-export industries;
- (c) lowered real incomes of fixed income groups;
- (d) a shift of income from exporters, induced by higher protection of Australian manufactured goods.

A tentative conclusion might be that had the Harvester Standard been imposed in 1907-9 it is conceivable that economic repercussions may not have been disastrous provided skilled wage earners were prepared to allow actual margins to narrow materially, other incomes had been reduced, and that the Federal government had legislated for a higher (than that of 1908) tariff to protect industries operating on the margin of international competitiveness. Even so, unless supported by higher product subsidies, some exporting industries, especially agriculture, might have been severely affected and this in turn may have caused Australia serious balance of payments problems.

Given these factors it may be suggested that the Harvester wage was more economically viable in 1921 than in 1907. What is the subject of considerable doubt is whether it was <u>fully</u> economically viable in 1921 or whether the high level of unemployment in the twenties, particularly among the unskilled, is in some way explicable in terms of an overly high wages standard for unskilled work on which was erected a rigid set of margins for skill, the whole maintained by quarterly adjustments for price changes.

The Growth of Legal Wage Determination and the non-acceptance of the Harvester Judgment

Spreading institutional coverage to include all or the great majority of unskilled jobs was a mammoth task. An indication of the kind and strength of resistances to introducing legal wage regulation in various occupations was outlined earlier 1 and although it is evident some employers, in their anxiety to avoid being brought before the Federal Court, modified their attitude to State wages boards, others were not so intimidated and therefore were less co-operative. This may have been especially so where tariff protection was not relevent, where unionism was little more than nominal and where federal unionism was improbable or impractical.

In 1907, Victorian wages boards catered for only manufacturing industries and certainly not all of these. Moreover, jurisdiction was almost always confined to the metropolitan area. In 1910 still the only extra-manufacturing industries provided for were bread carting and hairdressing. By 1912 coal mining, most building trades, and many distributive and miscellaneous service workers such as gardeners, furniture dealers, lift attendants and country shop assistants had been granted wages boards. war the process was to both broaden and deepen wages board coverage: to add in other occupations - mostly services, and to extend control of those already provided for. In December 1921 there were 170 wages boards existing and authorised. The boards catered for wage earners in all major occupational sectors and

Supra, Chapter 4.

Report of the Chief Inspector of Factories and Shops for the year ending 31 December 1921, p.8.

included such jobs as hospital attendants and cemetery employees, Boarding Houses and musicians. 1

In New South Wales at the time of Harvester there were no wages boards and only relatively few trades working under awards of the Arbitration Court. Mention has already been made of the rush for wages boards after 1908. Employer resistance here was less significant than in Victoria as under the terms of the 1908 Industrial Disputes Act, boards were sanctioned not by Parliament but by the Industrial Court. However, the pattern of development was similar and by 1921 the great majority of wage earners had been brought into the system.

Quantitatively, the Federal Court was less important. Difficulties of substantiating 'legitimate' disputes; Higgins' discountenancing unions' applications where direct action was currently being taken; possibly the immense problems confronting unions in preparing and keeping logs of claims up to

For changes in both the scope and geographical coverage consult the Chief Inspector's Reports 1907-21 especially Appendix B.

Supra, pp.456-7.

Sir R.R. Garran, Prosper the Commonwealth, Sydney 1958, pp.225-6.

date; ¹ and finally the inability of Higgins and Powers to deal promptly with all those unions wishing to use the Court - these factors determined the Federal Court played a comparatively minor role in actually prescribing legal minima. Although dealing with Federal disputes meant, usually, its awards covered large numbers of wage earners, even by 1921 its share of wage prescription was under 20 per cent. ²

Before the Harvester Judgment, Victorian wages boards operated primarily as collective bargaining units, and although probably wages of some unskilled were improved, a study of wage rates prescribed for the lowest class of manual work shows that no uniform minimum rate had evolved; and further that the more

For documented accounts of the difficulties experienced by unions in preparing logs of claims and getting into the Court see J.A. Merritt 'The F.I.A. 1908-1917' Seminar Paper, History Department I.A.S. A.N.U. 30 September 1965; T. Sheridan 'The A.S.E.: Structure and Outlook, circa 1917', Economic History Dept. I.A.S. A.N.U., 8 October 1965.

Supra, Table 15. This measure of numbers of wage earners involved in disputes settled during the year provides only a rough guide to the relative importance of Federal and State tribunals. Unfortunately, official statistics do not state how many wage earners were actually working under awards of the different tribunals so that a more precise measure has not been possible.

menial tasks were rewarded at a lower rate than full labourers. Rather than Harvester having 'profound influence on other wage tribunals...the minimum standard of comfort set by Mr Higgins [being] accepted by them...' there seems to have been very little change after the Harvester Judgment. The pattern of wage prescription for unskilled work only very slowly changed toward first a high degree of uniformity at approximately a 36/- standard, then the substitution of a single rate for labourers and sub-labourer groups, and finally, gearing this now more uniform rate up to the Harvester Standard at the very end of the period.

Drawing inferences from wage statistics can be supported by attitudes of those charged with making decisions - that is, where agreement between employer and employed was not possible. As for the earlier period, little has been found to give guidance about chairmen's attitudes to wage principles. If, however, those of the Agricultural Implement Industry Board were typical, the Living Wage concept as expounded by Higgins may not have been very important. Resorting to the wages board after the Excise Tariff Act was declared unconstitutional the union was told, '...he (the Chairman) would pay no regard to the decision of

Supra, pp.170-4.

J.E. Isaac, 'Economic Analysis of Wage Regulation in Australia: 1920-1947'. Ph.D thesis, University of London, 1949, pp.24-5. Also Burns, op. cit., p.299.

Mr Justice Higgins...as he had been connected with industrial works all his life he was more competent... to come to a proper determination. Neither was the Industrial Appeals Court much influenced by the Harvester Judgment. In practical terms it acted to reduce wages board determinations unacceptable to employers² and was extremely reluctant to amend determinations to allow for rising prices. 3 When taxed to accept the substance and principle of Harvester, Justice a! Beckett thought 'his construction of the Victorian Act involved no dissent from the attractive doctrines of Mr Justice Higgins' and 'agreed there was evidence available to support 42s. as a proper allowance for a family of five'. 4 Yet the Court clearly intended not to follow suit, but rather to maintain approximately the wage generally awarded by the wages boards. Feeling a need to justify this in theoretical terms a'Beckett announced 'Looking at section 122...the living wage there contemplated was the personal wage.... A wage of 36s. was sufficient to support a single man. If the employees' contention [42.] were correct it would make the creation of Wages Boards injurious rather than beneficial to the class

Worker, 13 August 1908.

Supra, pp.445-6.

Worker, 27 May 1909.

Worker, 27 May 1909.

intended to benefit and would conduce more to unemployment than employment at higher wages. 1

Incensed, unionists waited on the Ministry of Labour to ask that the Shops and Factories Act '...provide...a living wage...' and later, '...that the minimum wage should be 42s.' The government refused to act. In the next case the Court repeated its 'principle': 'The Statute in speaking of a "living wage" regarded only the maintenance of the individual worker and he (a'Beckett) refused to follow Mr Justice Higgins'. In the Fellmongers' Case the Court again frankly stated its refusal to follow the Harvester lead:

I was urged...to fix a new standard on a liberal estimate of human needs...I answer as my predecessor did that...I can find no indication of any intention that Wages Boards should resort to such a radical re-adjustment of relations of employer and employed. An appeal is given for the purpose of correcting the mistake of the Board, not to make a Judge a social

Ibid.

Worker, 3 June 1909.

Worker, 1 July 1909.

Ibid.

Argus, 3 January 1910, also Argus Law Report, Vol. XV, p.233.

reformer, at liberty to begin anew on a system of his own, or derived from sociological writers. 1

Returning to the Appeal Court, in 1910 Justice Hood felt he had '...nothing to do with a living wage, [he had] to deal with a fair and reasonable wage...and intended to conduct the enquiry primarily on what the firm [could] afford, what seemed reasonable'. The legislature provided for a lowest wage being fixed and he had to consider a number of points, but they did not include a living wage'. From the very fragmentary evidence of subsequent cases it appears the Court established the 'going rate' and awarded accordingly.

Guided thus it is not surprising that Victorian wages boards chairmen, up to five years after Harvester were prescribing sub-Harvester wage for unskilled work even though the 7/- money wage had itself fallen substantially in real value.⁵

Argus Law Reports, Vol. XV, 1909, p.227; see Vol. XVI, p.47, Judge Hodges agreeing with Hood and a Beckett that the Court was not an instrument of social reform.

Argus, 17 August 1912.

Ibid.

See, for example, Argus, 30 July 1913, 30 September 1913, and Argust Law Reports, Vol. XV p.229, Vol. XVI pp.47-8, Vol. XVIII, p.402.

For example 1910, Aerated Waters Adult Males

N.E.I.

35-39/- per week 36/(continued p.522)

A typically low paying industry was tea packing where on protesting against the recently prescribed wage of 36-40/- (1912) unionists were told by the wages board chairman 'the work required no skill' and when asked for a Living Wage for a married man, 'Mr McGill repudiated the idea that he should consider whether men were married or single...he had to take account of a personal wage'. 1

Only very slowly and belatedly were relatively low money wages raised to compensate for rising prices, but the structure and level of wages for the lowest paid adult male worker remained mostly unaltered until the four years period 1917-1921. During these years the job designation 'Males N.E.I.' or 'All Other Adult Males' became general, and the 36/- Equivalent wage was more commonly prescribed.

It was when the rash of wage adjustments in 1920 and early 1921 for compensation of the 1920 price increases coincided with the first substantial price since the early 1890s that most Victorian wages boards first prescribed the full Harvester Standard.

5	,		
1911,	Pastry Cooks General Adult		
	Workers	34/8 per	week
	Confectioners General Adult		
	Workers	36/-	
	Polish Trade	40/-	
	Plate Glass	36/-	
1912,	Engravers' Labourers over 21	35/-	
	Rubber Trade	35/-	
1			
Worker, 31 January 1912.			

Different in form, timing and theorising, in practice the New South Wales experience was not very dissimilar from Victoria.

Earlier (and before Harvester) the New South Wales Arbitration Court had adopted the policy of awarding 42/- money wage for unskilled work where it was shown industries could afford such a wage. In 1908 the Arbitration Court was replaced by wages boards, but Justice Heydon remained as President of the Industrial (Appeals) Court.

Left mostly to their own devices, 'These various tribunals, although guided to some extent by Declarations of the Court, adopted different principles in arriving at decisions and frequently fixed wages on the basis of agreements arrived at between the parties appearing before them. In doing so some wages board chairmen seemed to have paid small heed to the Harvester Judgment, Of the 82 boards giving first determinations between 1908-1910 for instance, 31 prescribed money wage rates for the lowest paid adult males lower than 7/- a day, even though this wage was worth less in Sydney than Melbourne and had lost some of this reduced value by 1910. Even so the generality of awards and subsequent adjustments of the New South Wales Industrial Boards indicate a greater propensity to lift the wage paid for the lowest class of adult

Compendium of Living Wage Declarations and Reports made by the N.S.W. Board of Trade, 1921, p.v, also N.S.W. Royal Commission..., 1913, Minutes of evidence, p.160.

male worker up to the wage Heydon and Higgins had stated to be ideal.

It will be recalled that whilst subscribing to the concept of a Living Wage, Heydon believed the amount fixed should reflect the standard of living current in Australian society. Hence when economic conditions continued to improve after 1905, the New South Wales Court shifted its rough Living Wage from about 36/to about 40/- to 42/- even though it was clear that outside the Court and where strong trade unionism was not possible, unskilled labour was paid for at much lower rates. In this respect, the difference between Higgins and Heydon was that the former insisted on an inflexible minimum Living Wage, other income groups should bear the brunt of economic recession, whilst the latter considered the Living Wage should reflect the general living standard of the whole community. When this fell the Living Wage should be adjusted accordingly. The other main strand of Heydon's belief was that collective bargaining best reflected the general level of wages supportable under prevailing economic conditions. He would not accept that the Court should operate to materially alter this pattern of wages.

These two ideas came together in the early months of 1914. During the hearings of the Royal Commission of Inquiry on Industrial Arbitration in New South Wales (1913) considerable concern was expressed about the problems associated with wage adjustments to compensate for price changes, and the inordinate lengthening of

wage board hearings this occasioned. Between October 1913 to February 1914 Heydon conducted an enquiry into the Cost of Living and the Living Wage. 2

The new Living Wage announced, 48/- per week (the Harvester Equivalent for Sydney was 57/6), represented a real wage of approximately 35/- in 1907 prices.

There are two main possible explanations for this radical departure from existing practice: that which Heydon gave in his official Declaration; the other to be deduced from observing former, existing, and subsequent attitudes adopted by Heydon in attempting to resolve this the major problem of wage determination.

For over a decade the Living Wage had been seen (despite a'Beckett in Victoria) as a <u>family</u> wage, and Higgins, possibly taking a lead from Seebohm Rowntree, had assumed the average family as comprising man, wife and about three children. Fiction or not, this conceptual basis for the Living Wage had taken a strong

N.S.W. R/C 1913, pp.342, 377, 444, 450-70, 475, 483, 503, 575, 587-8, 754, for an earlier request by unions for 'rationalising' and making more efficient the method of determining the Living Wage as a guidance for all boards see N.S.W. Arb. Court. Manufacturing (No. 2) Group No. 3 Board Award Appeal, (1913) Transcript Vol. 132, p.651.

N.S.W. I.A.R. Vol. 13, p.22 et seq reproduced in the Bulletin of the N.S.W. Board of Trade 'Living Wage (Adult Male) 1918' Sydney, pp.4-65. The complete two volume transcript of the hearing is lodged in the Library of the Department of Labour and Industry, Sydney.

hold on the thinking of parties to wage settlement as well as the general public. Heydon's enquiry subjected this proposition to the test of statistics concluding that at best the average Australian family was no larger than man, wife and two children. Taking then the Knibbs' (Commonwealth Statistician) 'cost of living' figures derived from the 1910-11 survey of average family budgets, Heydon calculated that outlay on food, groceries and rent amounted to no more than £1.12. 6. To this was added quite arbitrarily the equivalent of the 10/6 Higgins had 'allowed' for all other expenditure (14/-) arriving at the comparatively low 'living wage' of 46/6. The generality of awards currently observed by wages boards, Heydon asserted, was about 48/-; thus he rounded the 46/6 up to this amount.

Examination of this Cost of Living Enquiry shows the immense difficulties confronting those who chose or were required to consider the problem seriously. The meticulousness, thoroughness and, within the limits of available statistics, the comprehensiveness of Heydon's enquiry as shown in the 1740 pages of transcript and 22 pages of his report suggest he was making a genuine effort to 'measure up to his responsibilities': to establish as best he could, not what the average Australian family needed to live on, nor what standard of living it was desirable for them to have but, given existing incomes, what was the least amount the lowest paid adult male's family could live on without being reduced below the poverty line.

Yet despite all the evidence supporting this interpretation it is quite conceivable that this 'explanation' for fixing this lowered amount was nothing more than an elaborate rationalisation of Heydon's pre-determined intention to reduce the previous Living Wage standard prescribed by the Court.

In the Federal Court Higgins had adopted the family of about five as the theoretical basis for his 42/- (7/- per day) Living Wage. In the Victorian Industrial Appeals' Court, a'Beckett, in adhering to 36/- had concocted the theoretical explanation of the personal wage. Perhaps believing the economy was turning down after the long boom; alarmed at the accelerating rise in prices and imagining the 42/standard may have been partly responsible; noting that a number of wages boards acting as collective bargaining units had prescribed no more than 48/- for the lowest paid class of work; 2 fearing that if the Court fixed its Living Wage at more than 48/- some industries would be adversely affected and unemployment or a quickening of price inflation would result; Heydon too found a theoretical basis for the facts as he saw

Worker Report 21 November 1912.

Bulletin of the N.S.W. B. of T. Living Wage (Adult Males) 1918, pp.28, 60.

them. 1 It was probably extremely difficult to discard the theory of revising wage rates by consulting the Commonwealth Statistician's index numbers, so to rationalise the wage he wished to declare he 'investigated' the theoretical basis of Higgins' wage, found what could plausibly be deemed a flaw, and by substituting two for three children was able to 'calculate' a 'Living wage' reasonably near the wage currently paid for the lowest grades of unskilled work.

Whichever 'explanation' is the more valid, either way it is clear that, as in Victoria, the Harvester Judgment was largely ignored. Even by 1914 many of the 500-odd boards still recognised the 36/- equivalent standard; and when compelled to restate its principle and re-formulate its 'Living Wage' the Court rejected Harvester in favour of a minimum standard varying with the general living standard of the community. This became even more clear in the early months of the war when the Court shed even the minimal 'prosperity loadings' featured in the February 1914 declaration²

Perhaps the most novel basis for fixing the amount appropriate to unskilled labour was that propounded by Mr Justice Gordon in the South Australian Appeals Court who, in declaring 7/- as an irreducible minimum added, 'From what I can learn this is the approximate cost of keeping the prisoners in the Stockade and I am sure no employer would expect his workmen to live on less than a criminal'. Worker Report, 24 December 1908.

Ibid., p.61 see also D.T. Sawkins, 'The Living Wage in Australia' (pamphlet) Melbourne 1933, p.16.

believing that the general living standard must fall and the Living Wage should be adjusted accordingly. 1

Until 1919 the Court kept to its revised minimum and the boards either followed Heydon's lead, or the collective bargains struck at their proceedings settled on the 36/- standard independently. After Heydon retired the newly constituted Board of Trade attempted to revise once more the Standard recommended to wages In the interest of 'principle continuity', the two children family was retained as the theoretical basis of the Living Wage. Yet by disaggregating the A Series regimen and recalculating its components separately; by making an arbitrary 'allowance' for disporportionately greater price changes for clothing and miscellaneous items; and by switching to rentals for 4 roomed houses, the Board produced a figure that was within pennies of the Harvester Equivalent, 3 prices not risen precipitously in 1920, New South Wales would then have achieved the Harvester Standard. October 1920 the wage was raised to £4. 5. 04 - again an amount roughly comparable with the earlier Heydon and Higgins standard. By the time wages boards were

Ibid., p.72, I.G. December 1914, p.15; <u>Argus</u>, 1 December 1914.

From 1918 the Board of Trade was given the responsibility of declaring a Living Wage annually.

Compendium of Living Wage..., pp.10-15.

Ibid., pp.28-31.

reconvened to implement this Declaration, prices had steadied and then fallen, causing the real Living Wage to just exceed the Harvester Standard. 1

Price Inflation

To an extent that cannot be measured, the attitude of State tribunals was influenced by the disturbing phenomenon of rising prices. We can perhaps usefully pose the counter-factual question of what might have occurred had prices remained stable after 1907? Quite conceivably the standard Higgins believed in might have been implemented much earlier. Federal awards would have retained their full 7/- value, New South Wales might have continued on her independent way to a similar standard, whilst Victorian wages boards together with institutions developed in other States gravitated toward what has become to be known as the Australian Basic Wage. That this possible pattern of development was not achieved was due in large part to the inability of developing industrial tribunals to cope with the problems of price inflation.

The pace and income-eroding effects of inflation were discussed in Chapter 2. To recapitulate: as measured by the only retail price indices available, the purchasing power of money wages commenced to fall steadily from 1908, and continued almost uninterruptedly until early 1921. This may have been an economic and social phenomenon puzzling to

Supra, Table 14.

contemporary Australian society. Before the depression, prices fluctuated in the short term but were comparatively stable over the long run. The substantial price fall in the first half of the nineties was explicable in terms of the magnitude of the depression and the same applied to price recovery up to 1900 at which time, in Victoria for example, the general price level was within two per cent of that obtaining in 1870 and one per cent of 1880. Subject again to minor fluctuations, prices were probably steady from 1900-1908.

It is possible that employers' uni-factor explanation of price rises - cost push inflation resulting from 'unrealistic' wage increases - may have influenced arbitrators and wages board chairmen (when the 'awards' were not merely the registering of collective bargains) and contributed to wage adjustment that did not fully compensate for price movements. However, even if the wage cost push inflation argument had no persuasive effect the unresolved problems of how to deal with rapid price changes offer a partexplanation of the long delay before wages for unskilled work reached the 7/- real wage level.

Butlin, Australian Domestic Product..., op. cit., p.158.

Ibid.

Labour Report, No. 1, December 1912, p.33.

In the 1900s and 1910s, Australian labour had, with little hesitation, opted for a highly formalised, institutional system of wage determination and with it the inflexibilities and delays built into such arrangements. Awards and determinations were typically set to apply for three years and could be extended for longer periods. In the years 1901-1908-9 this was not an undesirable arrangement for unionists, especially if the award was a substantial improvement on previous conditions. A union formed to get a determination might even be allowed to lapse once this was accomplished. 1

During periods of price inflation, time lags in adjustment of wages usually result in real wages falling - that is unless and until institutional arrangements for very short term adjustment are perfected. No such arrangements obtained in Australia until after 1921. Probably the character of Australia's developing system of wage determination acted to extend the time lags and depress real wages farther than in a more flexible system of collective bargaining. The practice of triennial reviews was not

E.g. Bedstead & Fender Makers! Union re-organised to obtain a fresh award, it being 'six years since the Wages Board gave a determination of 6/- a day!.

Worker, 6 August 1908.

High unemployment, especially in Victoria, and a reduced real national income during much of the war years makes comparisons with other countries extremely difficult. In Britain for example where the economy (continued p.533)

substantially altered although where the unions were strong enough, wages boards might be reconvened in shorter intervals. But this was exceptional.

In the Federal Court, circumstances for varying awards to take account of price movements were even more unfavourable than in State tribunals. The Court could not entertain wage claims before a bona fide industrial dispute was established. (The first volume or even two volumes of transcript in practically every case was concerned with convincing the presiding judge of the genuinesses of the dispute, before the case itself could be started). Hence, variations of awards were extremely difficult to obtain and some awards (and extensions) went six years before adjustment was effected.

From 1909-1912 then, although increasing numbers of trades and occupations were brought into one or other system, and often wages for unskilled work were initially raised to Victoria's 30-36/-, Heydon's 36-42/- and Higgins' 42/- standards, real wages were constantly pushed down to a lower level. The process through to 1921, was a succession of jerks and slides:

^{2 (}continued from p.532) was fully extended to cope with war time demand '...the real income of the working classes suffered no decline in spite of the rapid rise of prices'. W.T. Layton and G. Crowther. An Introduction to the Study of Prices, London 1935, p.129.

Hagan, op. cit., p.353, footnote 2.

literally hundreds of separate wage fixing tribunals raised wages to one or other of the standards mentioned, only for them to depreciate rapidly during the currency of the award; to be then pulled up once more at the beginning of the next triennium.

For many skilled and semi-skilled wage earners and some unskilled having strong trade union protection, either over-award payments or inter-award agreements kept real wages higher than would have resulted merely from the functioning of industrial tribunals. Unfavourable labour market conditions and weak unionism for many unskilled combined to ensure the legal minimum wage only was received.

Thus from approximately 1908, the difficulties of spreading legal wage determination to all or most occupations, and State tribunals' unwillingness to adopt Higgins' policies were joined by the problem of how to maintain enhanced wage conditions once secured. Accustomed to short term fluctuations round a fairly constant norm it was some time before the money illusion was dispelled. Higgins continued to award his 7/- money wage until the end of 1912 despite growing

⁶ CAR 130 at p.168, Higgins awarded 8/- a day to labourers not otherwise specified; and 7 CAR 5 at p.10, 8/- a day for the lowest paid adult males.

dissatisfaction by unionists of its declining real value. Not until 1913 was the 7/- money wage replaced by 8/6 and even then Higgins was most reluctant to take this step stating '...would it not be better to put it [a compromise wage between the employers' offer of 8/- and the union's demand for 9/-] into your agreement not let me award it....The result would be that the agreement would not be a precedent; if you are forcing me into it it would be'. 1

Further adjustments of the money wage minimum, though not of current awards were made periodically, but unsure that prices would continue to rise Higgins revised the rate by taking the average for the previous calendar year. This could mean fixing a wage up to two years out of date, and given the pace of inflation, the amounts actually awarded by the Court from its inception to 1921 never matched the full Harvester Even so, this was the only concession the Standard. Court was prepared to make. Despite declining economic activity as measured at the time perhaps by the sharp increase in unemployment, but from hindsight by the significant reduction in G.D.P. per capita, Higgins refused to deliberately lower the real minimum wage awarded for unskilled. He would not give sanction ... to a lowering of the Standard of life. 2 Challenged

Comm. Court, Federated Gas Employees' Industrial Union and Metropolitan Gas Co. and Others (1913) Transcript, p.1529.

Argus, 2 September 1916.

about the serious repercussions of such a policy he retorted 'It would be a far more serious thing if the men could not get enough to live on'. Rejecting Heydon's argument that a lower Living Wage was reasonable because consumers switched to cheaper foods when prices rose, Higgins held, 'the Basic wage allows no scope for reductions without lowering of physical health and industrial efficiency', and in a later case 'It is not my business to see that people who have been used to eating joints of mutton should go to livers and lights'.

Victorian wages board seem to have merely adjusted wages periodically without the guidance of any central, co-ordinating authority. In contrast, the New South Wales Industrial Appeals Court operated in just this way. From October 1911 when Heydon's deputy Scholes was persuaded '...7/- a day now [was] pretty low'

^{&#}x27;Ibid.

Comm. Court. William Anglis & Co. and Amalgamated Meat Industry Employees' Union (1916) Transcript pp.2290-1, and 10 CAR 465 pp.480-1: see also Federated Glass Founders' Association of Australia and Australian Glass Manufacturers Co. Ltd. (1915) Transcript pp.118-9.3

Comm. Court. Transcript labelled The Federated Gas Employees' Industrial Union and South Australian Gas Co. & Others (1916) Vol. II, p.955, Reported in Commonwealth Arbitration Reports as F.G.I.E.U. v Metropolitan Gas Co. & Others, 11 CAR 267.

N.S.W. Arb. Court, Cycle & Motor Cycle Bd Appeal (1911) Transcript Vol. Sept./Nov. 1911, p.128.

the Court assumed the responsibility for setting the standard 'Living Wage' that boards were recommended to adopt.

Yet whereas Higgins kept the Federal Court's wage policy simple, e.g. periodic adjustments of the Basic wage and fixed money margins for skill, Heydon indulged in a series of expedients for dealing with problems as they arose. As well as taking the 'Living Wage' down to about the 36/- standard in early 1914, he debated long before conceding that some compensatory allowance should be made for price changes. 1 On the outbreak of war. Boards were asked to merely renew old award rates as determinations fell due for review; 2 a policy decision reversed under pressure from the unions early in 1915. Unlike Higgins, Heydon was sympathetic to arguments that by retaining a constant regimen, the Statistician's 'cost of living' index numbers overstated rises in prices, believing consumers' practice of switching to cheaper foods warranted holding the 'Living Wage' at its relatively low rate.

See 11 I.A.R. 167, 12 I.A.R. 10, 15 I.A.R. 20-1, Worker, 12 December 1912, 22 November 1914, 25 November 1915, 5 IG 146, 8 IG 1457, 10 IG 4. <u>Bulletin</u> of the N.S.W. B. of T. Living Wage (Adult Males) 1918, p.66.

¹³ IAR 312, <u>Argus</u>, 1 December 1914.

¹⁴ IAR 88-92, 7 IG 494, <u>Argus</u>, 26 January 1915: for suspension of Victorian Wages Boards' sittings and Employers protests on renewal see <u>Argus</u>, 21 July 1915, 4 August 1915.

Bulletin N.S.W. B. of T. 1918, op. cit., pp.67-8.

Finally to make more systematic his policy of cutting back margins except where it could be demonstrated industries were not adversely affected by war time conditions, in 1916 Heydon introduced his controversial 'formula' whereby skilled workers were to receive smaller increases in money wages than the unskilled when adjustments in the Living Wage were made. In effect, the size of increases awarded was to diminish the larger the margin for skill already received, finally cutting out when 30/- or more than the Living Wage on the new scale was received.

Although legal wage determining in New South Wales was infinitely more complicated and controversial than in the Federal Court, by 1916 the Court had formalised the system of periodic reviews and adjustment in accordance with the A Series Retail Price Index. After much soul searching, Heydon sanctioned the re-opening of awards to restore the real value of the Living Wage. In this respect alone wage earners under

¹⁵ IAR pp.450-2. Use of the formula was discontinued in 1918 see 17 IAR pp.237-9.

IX I.G. April 1916, p.992.

¹¹ IAR pp.218-20; also N.S.W. Arb. Court, Iron & Shipbuilding Trades Group No. 8 Board Appeal, 1912, Transcript Vol. 128, p.346; Inquiry re Cost of Living and Living Wage 1913-14, Transcript p.1666; 13 IAR 92, 15 IAR 232-5; Bulletin of the N.S.W. Board of Trade 1918, op. cit., pp.61, 82-3.

State awards were better provided for than those in unions party to Federal awards.

Despite protracted debates in the Court, wage adjustments at shorter intervals was not a topic of serious discussion until the final years of our period. Earlier, comment had not been entirely absent. Puzzling over the apparent injustice of the wage-price spiral, Heydon thought, 'the best plan would be...to have a statistical or...some other suitable department! to keep 'current records...and according to their reports every 3 months wages would go up and down automatically', 1 yet he hastened to add, 'We cannot lay down as a principle that wages were to go up and down mechanically and automatically with the increase and decrease in the cost of living. It is one circumstance to remember. 2 Seemingly, the idea was discarded or pigeon-holed, for in 1916 Heydon reflected, 'to fix wages on a sliding scale to be fixed on the Statistician's figures...is very much what we hoped before the war to be able to do.3

N.S.W. Arb. Court. Food supply and distribution (No. 1) Group, No. 4 Board, Pastry Cooks' Appeal, (1912) Transcript, Vol. 128, p.1003.

Ibid., p.1005.

Bulletin of the N.S.W. Board of Trade, Living Wage (Adult Males) 1918, p.69.

Although there were some attempts to provide for short term wage adjustments before 1921 the widespread and systematic adoption of this method of stabilizing the value of wages was closely associated with representations for a national enquiry into the method of calculating the Living Wage. And this enquiry was the product of mounting discontent with existing arrangements for wage adjustment.

Labour and Price Inflation

For unionists, price rises in themselves were of small consequence. Their attitude is perhaps best illustrated by evidence given by the A.S.E.'s spokesman to the Royal Commission on the Tariff. 'It is far better to have 7d. to buy a loaf with when 6d. is the price than to have $2\frac{1}{2}d$ to buy it when 3d. is the price'.²

Argus, 26 April 1920; 'The Melbourne Metropolitan Tramway Board and the Tramway Employees' Association agreed to regulate wages by half-yearly automatic adjustments'; see Argus, 29 April 1920 for the Victorian Chamber of Manufacturers' scheme for the automatic regulation of wages in accordance with variations in the 'cost of living...launched some time before a similar scheme was decided upon by the Tramways Board'. This scheme refers to arrangements in the iron industry, and the agreement was ratified by the appropriate wages board. For other examples see Argus, 15 March 1921, 14 May 1921, and 8 June 1921.

Comm. Parl. Papers 1906, Vol. V, p.2148.

At the time of Harvester and the next few years, unions were acutely aware of the effect of price changes on money wages. The dilemma was stated explicitly in 1909: 'as they had obtained increased wages so had the prices of commodities gone up. They were practically in the same position as ten years ago....'

Yet possibly believing the price rise was merely another fluctuation rather than the beginning of a long trend movement, and also that up to 1912 perhaps, a considerable amount of unskilled work was paid for at a lesser wage, unionists continued for some time to demand 7/- per day for unskilled labour. In July 1909, 'The union (Fellmongers), with all other organisations of workers [wanted] it to be laid down as a guiding principle that...wages shall be not less than 42s. a week'. The next year railwaymen resolved, 'That the minimum wage of 7s. per day be extended to include all adult labour in the service'. Seeking to salvage

President's address to the Annual Conference of Trade Unions in N.S.W., April 1909. For other examples of disaffection with the falling value of money wages see, T.H.C. 21 June 1907, Worker, 3 September 1908, 20 January 1910, 4 May 1911, 21 December 1911, 16 May 1912, 3 October 1912.

Worker, 1 July 1909.

Ibid., 14 April 1910, Report of the Amalgamated Society of Railway Employees' Annual Conference.

something from the wreck of New Protection it was urged that '...in future revision or extension of protective duties, protection shall only be granted consequent on payment of a minimum wage of not less than 7/- per day of eight hours for unskilled labour. As late as April 1913, Victorian unions argued for 'at least forty-two shillings, because that is the amount which has been found will support in frugal comfort a man, his wife... and an average of three children'.

Nonetheless, by 1911, awards of 7/- were strongly criticised as 'less than a living wage'. Such was the impact of price inflation that by 1912 the rate that once was the height of wage ambition was now spoken of as 'the disgraceful minimum wage of 7s. per day....'

Report of Motions submitted for the Annual Conference of the political Labour Council of Victoria, Worker Report, 12 May 1910. For other indications of labour's continued indignation of employers' action in wrecking New Protection, and forlorn hopes of its resuscitation, see various reports in Worker, 24 June 1909, 6 December 1909, 10 March 1910, 11 June 1910, 26 September 1911, 15 August 1912, 21 August 1912, 8 May 1913, 10 April 1919.

Victorian Industrial Appeal Court, Clerks' Case, reported in Argus Law Reports, Vol. XIX, p.146.

See for example, Woollen Trade Board, Worker, 4 May 1911; Railway and Tramway (per. Way) Board, Worker, 11 May 1911.

Worker, 17 October 1912. Report of Victorian Railwaymen's Union; also Comm. Court Case, Australian Tramway Employees' Association and Prahran & Malvern Tramway Trust & other, (1912) Transcript Vol. 1, p.15.

Substituted was the very moderate demand for a Living Wage of 8/- per day. 1 For this revised rate railwaymen, 2 general labourers, 3 and cement workers 4 were prepared to take industrial action. (During this period of disillusionment employers took up the championship of the now discredited Harvester money wage, 'supporting the 7/- as a minimum wage for unskilled labour). 5

The continual erosion of real wages during the war strengthened labour's belief that wage earners were receiving a smaller share of the national dividend; were bearing more than their share of 'the burdens of war'. It is not clear precisely how and in which direction incomes were re-distributed during the war. From the crude estimates attempted in Chapter 2 it might be supposed that price inflation and unemployment permitted some shift of distributable incomes from

¹ Ibid.
2
 Worker, 1 May 1913.
3
 Worker, 25 July 1912.
4
 Worker, 8 August 1912.

Comm. Court. Waterside Workers! Federation and the Commonwealth Steamship Owners & others Transcript, p.2727.

Worker, 15 August 1918; also Inquiry re Minimum Wage Fixed by the Court of Industrial Arbitration N.S.W. Transcript, Vol. 51 (1916), pp.1046-50.

labour to capital - at least in the manufacturing sector.

Trade unionists seem to have had little doubt that the growth of monopolies and price agreements were both the cause of inflation and the means whereby wage earners were exploited. The fact that prices were rising all over the world failed to shake this conviction. 'Monopoly was the secret of it all....'

In every country they fix prices, they exploit the people. And in America where they are the most powerful the cost of living is higher than in any other country....It is obvious that the main cause of the increased cost of living is the exhorbitant profits extracted from the people by the Trusts.²

This deeply rooted belief was a direct development of earlier uneasiness that wage earners were not sharing fully in rising prosperity. As real wages fell sharply after 1913 so labour was the more persuaded that profiteering was rampant. For it was held that if the wage-earners were worse off '...it followed as a matter of course that the employers [were] better off'. And what better proof could be advanced than that 'deposits in the private banks had increased by

Worker, 15 August 1912.

<u>Worker</u>, 8 May 1913.

Supra, p.239.

Worker, 29 August 1918.

£35,000,000 in the first three years of the war', or the increase in conspicuous consumption among higher income groups? Moreover, statistics of wages, costs, etc. published by State and Commonwealth Statisticians were used to demonstrate the shift of income from labour to capital. By selecting as their base date the highest point of the pre-war boom labour publicists grossly exaggerated the extent of possible 'capitalist exploitation'. For whilst it is likely that even by 1920, average real wages had not regained the 1911 level, neither had real G.D.P. per capita population or real value added per capita employment in manufacturing.

Yet a decade of rising prices hardened belief in profiteering. Delay in legislating for war time profit tax (until 1917), conspicuous consumption, rising bank balances, matched against falling real wages (from 1913) and persistent unemployment soured the Harvester judgment and its 'conceptual base' for most of the labour movement. Developing attitudes to wage

Worker, 29 August 1919.

Worker, 9 December 1915, 16 February 1915.

Worker, 11 October 1917, 29 August 1918, 17 April 1919, 10 June 1920; see especially the series of seven articles in the Worker, June to July 1921.

For examples of labour's growing unrest see <u>Worker</u>, 19 August 1915, 8 August 1918, 11 September 1919, also Ian Turner, op. cit., p.76.

determination took three main forms: that Higgins' approach was reasonable if by some means the real wage might be raised to the Harvester standard and held there; that the flaw in Harvester was that the 'rates were compiled from a standard set - unfairly - ...by Mr Justice Higgins in the Excise Harvester case in 1906 (sic) when the basic wage was set at 7/- a day... this was a subsistence wage set at poverty standard'; and thirdly that the entire concept was wrong - wages should be geared to claiming 'a share of the increased productive power of the country'.

There was a fourth strand of thought, that the wages system itself was unjust and should be abolished, but despite the efforts of I.W.W. and O.B.U. enthusiasts, this may not have attracted wide support among Australian unions at the time.

While the 'tragedy of the Bare Living Wage' based on the 'vicious principle' of Harvester became a great

Argus, 11 July 1917; report of Inter-State Conference of Trade Unions in Victoria; also, Worker, 27 July 1916, 18 October 1917, 29 August 1918, 2 October 1919 and 30 October 1919; Comm. Court, Fed. Ct. Carters & Drivers Ind. Union of Aust. and Addis & Others, (1919) Transcript Vol. 1, p.44; Worker, 29 August 1918.

Comm. Court Fed. Gas Emp. Ind. Union & South Aust. Gas Co. & Others (1916) Transcript, Vol. 3, p.1169.

For a discussion of this view see Report of the N.S.W. Labor Conference 1919 in Worker, Report of 19 June 1919.

talking point, ¹ and may have contributed to the wording of the Terms of Reference given to the 1920 Royal Commission, ² and reversion to the capacity to pay principle had its special appeal, practicality determined that efforts to achieve the real Harvester Wage standard and to defend it against price changes occupied most of labour's energy.

It should be emphasized that this standard had not been achieved before inflation set in, and the likelihood of its fulfilment became more remote during the war and immediate post-war years. It was seen, therefore, still as something to be achieved; a means of generally improving wages both for those doing the lowest class of work and, if margins could be retained, for all wage earners.

Despite the rising volume of disaffection with the length of time elapsing between wage adjustments, and the injustice this was thought to occasion, there is a noticeable lack of serious discussion of precisely what form improvements should take. In 1915, for instance, the <u>Worker</u> advocated 'Wages must be fixed according to a definite laid down standard of living...When the wages paid will no longer suffice to reach this standard then the wages must be increased, and ANY

Worker, 29 August 1918.

Royal Commission on the Basic Wage November 1920, p.6.

CONSEQUENTIAL INCREASE IN THE PRICE OF THE PRODUCTS OF THE WORKERS CONCERNED PROHIBITED.

The practical means of how this desideratum might be implemented received little attention until after the war. ²

Royal Commission on the Basic Wage

At the 1919 Federal Labor Conference the N.S.W. delegate moved that the 'Standard minimum wage (in lieu of a Living Wage) to be ascertained by inquiry into the cost of living of average families in various profession and walks of life, with automatic quarterly increases synchronising with the declared increases in the cost of living'. ³

Earlier a representative body of employers had resolved in favour of the need for a 'more scientific system for calculating and maintaining the Living Wage' and favoured an Inter State Board 'to investigate and yearly fix the basic wage....'

Worker, 30 December 1915, the Worker's capitals.

As yet only one instance of organised labour proposing quarterly adjustments has been located: Labor Council of N.S.W., <u>Worker</u> Report 27 July 1916.

Worker Report 26 June 1919.

Victorian Chamber of Manufacturers Forty-first Annual Report 1918, p.11; see also Argus, 8 October 1918 for report of the Employers' Federation of Victorian and New South Wales 'glad to assist in making overtures to the Ministry to have a thorough scientific enquiry'.

Subject to heavy criticism from both sides, the Court added its weight to the need for review of the Living Wage. In 1916, Powers believed that an enquiry should be made as soon as we get back to normal times! 1 and Higgins stated 'an enquiry on this subject is eminently desirable....! 2

By late 1919 the $\underline{\text{Argus}}$ could report 'unanimity regarding the need for a Royal Commission', 3

The immediate initiative for appointing a Royal Commission seems to have come from '97 unions under the Commonwealth Arbitration Act' who, acting independently (of the T.H.C. and T. & L.C.), asked the Commonwealth Government for 'a Commission of Inquiry into the basic or living wage'. The Federal unions' intention was clear. The end of the war had brought no improvement in wage incomes; indeed the unprecedentedly high price rise in 1920 reduced the basic wage to its lowest point ever. Again the two lines of thought on wage determination came together. The Commonwealth

¹⁰ CAR 644; also Comm. Court, Federated Carters and Drivers' Industrial Union of Australia, and Addis & Others (1919) Transcript, p.172.

¹¹ CAR 34, also, Higgins, New Province..., p.53.

¹⁸ October 1919.

See Reports of T.H.C. and T. & L.C. objections in Worker, 6 November 1919, 4 December 1919, 12 February 1920. Increased industrial unrest and the popularity of the OBU movement in some sections of the union movement may also have strongly influenced Hughes' decision to appoint the Commission.

Government was asked to 'inquire into the wage sufficient to support a man, his wife and three children...and that [information] should be taken from incomes sufficiently large to admit of the requisite expenditure'. 1

There was a disinclination to continue to accept the standard of living as set by Mr Justice Higgins in 1907. Referring to Harvester as a 'niggardly standard' it was resolved that 'If the Arbitration Court is to be of any use to the Unions who have spent so much time and money on it, a new standard and a new means of adjusting must be devised'.

The Royal Commission on the Basic Wage was Australia's first systematic enquiry into what amount was required to provide for a family of 'about five'. If the needs criterion was ever to have any real significance; if it were seriously intended to try to set wages thus, regardless of possible social and economic effects, some such enquiry was indispensible. Previous enquiries had taken evidence from what families actually lived on, given an established

Worker Report 12 February 1920.

[~] Ibid,

¹⁶¹a

Ibid.

Harvester 1907; Commonwealth Statistician 1910-11 and 1913; N.S.W. Arbitration Court, 1913-14; West Australian Royal Commission 1917.

pattern and level of wage incomes. Piddington's inquiry was to reverse the order. His terms of reference were to establish the minimum amount an average Australian family could maintain what, for want of a more precise description, might be called the Australian standard of living.

The Commission's Report proposed a wage 31 per cent greater than the Harvester Equivalent.

For unionists, other than militant groups resolved to dispense with the wages system, the Report met some of their aspirations. It purported to raise the standard of living for unskilled workers and, if margins might be re-adjusted to pre-inflation proportions, of all wage earners. Once set, the improved wage level was to be 'guaranteed' by short term adjustments for price changes.

Yet strikingly reminiscent of New Protection, the Commission's Report was the light that failed. Reneging on his earlier promise to implement the

Weighted average for the six capital cities £5.15.8; Harvester Equivalent £4.8.7. From Royal Commission on the Basic Wage, Supplementary Report April 1921, p.103, Tables B and C and quarterly adjustments for price changes. For terms of unionists' claims see Report p.19.

Unions' claims were far higher than the Commission's findings, but it is reasonable to assume they hardly expected their full demands to be met.

Commission's findings, Hughes flatly rejected the new higher Basic wage as economically impractical.
Further, unheeding of unionists' protests, first Higgins then Powers followed the Prime Minister's lead. And even as union State and inter-State conferences and deputations were busy cajoling the government to reverse its decision and were bringing pressure on the Court by recommending all unions [to] make the Commission's Report the basis of all future claims', employers initiated a movement to 'persuade wage earners, in their own interests to accept reduced wages'.

Falling prices in early 1921 were accompanied by rising unemployment. Trade union unemployment in Victoria rose from 7.3 per cent in the last quarter of 1920 to 9.8 in the second quarter of 1921; Sydney figures were 6.9 and 13.5 respectively, 7 and by May the

G. Anderson, The Fixation of Wages in Australia, Melbourne 1931, pp.256-7.

[~] 15 CAR at pp.302-6,

¹⁵ CAR at p.121. See also 15 CAR pp.838-68.

Worker, 9 December 1920, 3 February 1921, 10 March 1921.

Report of Conference of 50-60 Federated Trade Unions, Worker Report 9 December 1920.

Worker, 26 May 1921.

Labour Report No. 12 for 1921, p.20.

Worker's slogan was 'GRIP YOUR WAGES TIGHT' 1 illustrating the shift from offensive to defensive tactics.

Yet for those in work, lowered prices and automatic adjustments made the Harvester Standard a reality; and for the lowest paid wage earners this was a very significant improvement. Doubtless, 'The Piddington Commission provided the unions with an ideal peg on which to hang their agitation for higher wages...' but more immediately, holding the line was more important, and attention was directed to regaining pre-inflation margins and reducing hours of work.

It is appropriate to conclude by returning to Higgins and ask why, when the Commission had supplied him with the most comprehensive study of human and family needs yet compiled, should he have so peremptorarily rejected its findings?

Higgins was not only altruistic, high principled, and singleminded; he was also sensitive, testy, and cautious. Both the composition and Letters Patent of the Royal Commission were contrary to Higgins' views. He advocated a scientific enquiry, conducted by the Commonwealth Bureau of Census and Statistics, not by a single Commissioner and partisan advisers. This error

Worker editorial 26 May 1921, Worker's capitals.

2
Turner, op. cit., p.202 also Anderson, op. cit., p.259.

Argus, 3 December 1919. Also Higgins, New Province..., pp.53, 95.

was compounded by instructing the Commission to study the needs of an <u>average</u> family instead of those basic to the lowest paid adult male wage earners. 1

Though claiming 'it is not out of pique that I say this...! his demeanour during the Engineers! case strongly suggests he was in high dudgeon about the entire business. Refusing unions pleas to revise the Basic Wage, he lamented 'I know it is a hardship... it means someone has blundered. As in the charge of the Light Brigade'. Having added 'An awful lot of harm has been done by the Commission...by an error in the framing of it: because it awakens hopes that cannot be satisfied! he continued !...did the unions frankly believe he should raise the basic wage to the new high level and give proportionate margin allowances? 4 Criticising the unions for failing to 'act prudently' in not insisting that he and Powers were consulted thus 'avoiding this fiasco' he seemed affronted that after all he had done for the unions they had not championed the Court's right to be consulted.

Ibid., p.135. For the exact wording of the Letters Patent see Royal Commission, op. cit., p.5.

Rejecting union demands for the Commission's Basic Wage estimates - Comm. Court A.S.E. and Adelaide Steamship Co. & Others, 1920-1 Transcript, p.3683.

Ibid., p.3636.

Ibid., p.3677.

o Ibid., p.3678.

It would be unjust, however, to imply Higgins acted merely out of pique. Whilst prepared to be adventurous in proclaiming the 7/- standard in 1907, he was otherwise extremely cautious, and considered carefully the effects of his decisions. 1

At the time the A.S.E. case was being heard and the Commission's findings published, price inflation was reaching its highest point. He almost certainly deliberated on the possible effects of raising the Court's Basic Wage by nearly a third, believing perhaps that if all other tribunals followed suit, even more rapid price inflation would ensue. If they did not, consequential industrial unrest might have seemed to Higgins to have been likely.

He may also have been concerned with the 'best and most just' distribution of what 'extra' amount of income was thought to have been available. Whereas from the beginning the Court had roughly maintained Basic Wage awards at the Harvester Standard, margins for skill had been held at the existing money value which meant a proportionate lessening of the difference between nominal rates set for unskilled and those set

1

E.g., see his reasoning for exercising prudence in adjusting the 7/- money wage to account for price changes: Comm. Court, Fed. Gas Employees' Industrial Union case, 1913, op. cit., Transcript pp.1493, 1497, 1529, 1540. Also, Higgins, New Province..., p.29.

for skilled work. Higgins had assured skilled wage earners this would be remedied after the war. In the case in hand he intended restoring the Harvester based proportions, and he may well have believed this was the most the economy could sustain for the time.

If then we consider Higgins' lack of faith in the relevance of Piddington's conclusions; his concern for possible economic and social repercussions of lifting the Basic Wage; his wish to increase margins; and then add in his further intention to declare the forty four hour week; we may perhaps have an understanding of why Higgins rejected the major recommendation of the Royal Commission.

Conclusion

Reflecting on the experience of the generation 1891-1921 it might be supposed that the development of Australia's national minimum wage was a part of the wider social ethos: that it reflected society's

Supra, pp.174-8.

Higgins had already honoured his war time pledge (10 CAR 214 at p.226) to the Merchant Service Guild of Australia, see 14 CAR pp.465-6.

T. Sheridan, 'A.S.E. 1921-1927', Seminar Paper Department of Economic History I.A.S., A.N.U., March 1966.

Tbid. See Higgins granting 44 hour week to Timber Workers, 14 CAR 811.

changing attitudes to the more vulnerable groups, and a willingness to act collectively in their interests. a very general sense this may tell us something about contemporary Australian society and more pertinently, of how, why, and when the national minimum wage evolved. Yet as has been implied throughout this thesis, practical economic, political and social question were the main movers of events. Assuredly there may well have been a maturing social conscience directing men's efforts to provide social services for the less fortunate: equally, the impressive array of social-welfare legislation was the product of important changes in the economy, the fluid state of Australian political organisation, the mutuality of interests between some employers and employed, and the need for compromise on major pressure group objectives.

We ought then pose the question, was Harvester myth or reality? Did it make any real difference?

In practical terms the Harvester Judgment itself, and Higgins' constant references back to the 7/- wage in 1907 furnished a valuable starting point for the index number method of finding equivalent wage rates. More importantly, perhaps, the Judgment was the occasion when the Living Wage concept was refined in its lasting sense.

While it is certainly true that in the first decade of Federation 7/- a day for unskilled work was

Northcott, op. cit., p.110.

thought of as being 'about right' - it was that vague. It was an aspiration of the labour movement and labour sympathisers, but even here, exceptions were readily accepted particularly for sub-labourer groups and in deference to current economic thought. Institutionally, the New South Wales and Victorian wage determining tribunals took flexibility as the keyword: concern for industrial conditions was paramount even when prescribing wages for unskilled work.

From the outset, Higgins would have none of this. The minimum must be an inflexible one. Perhaps even more important, all adult male workers were to be treated equally. In no award did Higgins allow a lesser rate on the grounds that the work was of such a low character, and customarily was rewarded at something less than the labourer's rate. Higgins' greatest influence was to direct attention to the man rather than to his work - at least so far as rewards for unskilled work were concerned. The process of conversion to this concept was slow, but conceivably, the tendency for State tribunals over this period to make few and fewer exceptions and finally none at all was due in good part of the Harvester example.

By the late 1910s, unionists, employers and society in general seem to have accepted or become reconciled to the view that all male wage earners should receive

Burns, op. cit., p.299.

at least the full labourer's wage. When F.A.A. Russell asserted, 'The rising tide of wages as awarded has been most beneficial to the unskilled worker, labourers, and persons on the lowest paid grade or rank of each calling', he was probably mistaken about the changing fortunes of the labourer per se who in 1921 was little better off than in 1907 or indeed, in 1890. But he was quite right when speaking of the lowest paid grade or rank of each calling, though the process of raising the wage status of the sub-labourer groups was not nearly so advanced in 1914, when Russell wrote, as in 1921 when most adult male wage earners were assured of the labourer's wage.

Over time, then, Higgins' continued references back to the Harvester Judgment served to erect the Harvester real wage of 7/- a day for the unskilled as a definite economic and social goal: it took on a symbolic form perhaps having no counterpart in any other country.

During the Engineers' case of 1921-2 the trade union advocate acknowledged:

I do not think there is any need to stress the point that the Harvester Wage made a vast difference when it was first introduced into the wages of the workers of Australia

^{&#}x27;Industrial Arbitration in Relation to Socialism', in Trade Unionism in Australia, Ed. Meredith Atkinson, Sydney, 1915, p.103.

....It certainly placed them on a definite basis and gave them something tangible to work on which had not been the case previously.¹

This thesis has been concerned mostly to question the first half of this statement and concur with the second.

A.S.E. and the Adelaide Steamship Co. and Others, Transcript, p.3640.

APPENDIX 1

Unemployment in Victorian Manufacturing: derived from Population Censuses, Demography Bulletins and Victorian Statistical Registers.

At census date, information is provided of occupational groups, both for numbers of breadwinners and those claiming to be unemployed. From each census report were extracted 'Manufacturing' employment and unemployment, deriving therefrom:

- (a) those actually employed in manufacturing;
- (b) those normally employed in manufacturing, but currently unemployed; and
- (c) the sum of (a) and (b) the manufacturing work force.

Thus:

Males

$\underline{\text{Year}}$	Employed	Unemployed	Work Force
1891	63,544	4,482	68,026
1901	59,598	2,621	62,219
1911	81,462	3 , 158	84,620
1921	102,242	6,652	108,894

These figures were then applied to Victorian manufacturing employment data published in the Statistical Registers to derive a Statistical Register Equivalent (S.R.E.) of census unemployment and work force for each base year. Hence, Statistical Register manufacturing employment in 1891 was 45,205 which was 71 per cent of census manufacturing employment of

63,544. Assuming the same proportion of unemployment, 71 per cent of census unemployment figure (4,482) gave a S.R.E. unemployment figure of 3,188 which when added to S.R. employment produced a S.R.E. work force of 48,393. Since straight line interpolation across inter-censal years would not allow for changes in population, Demography Bulletin figures were used as a guide. By applying the derived S.R.E. work force figures at census years to male population figures we produced percentage figures for bench mark dates, thus:

Year	Work Force	<u>Male</u> <u>Population</u>	S.R. Manufacturing Work Force as a Percentage of Male Population
1891	48,393	606,395	7.98
1901	49,128	608,436	8.07

Interpolating the manufacturing work force as a percentage of male population (assuming changes in constant proportions), the individual year percentages were then applied to yearly population figures to give a yearly work force series accounting for, so far as the demography bulletin figures are reliable, changes in population. (See Table on page A3).

Whilst we can readily fault various aspects of the method used - especially the census and Statistical Register data, i.e., differences in categories in different reports, and increase in Statistical Register coverage, the most ill-founded assumption is that persons in the manufacturing work force at one base

UNEMPLOYMENT, VICTORIA, 1891-1921

	<u>Male</u> Population	Manufacturing Work Force as a % of Male Population	S.R.E. Work Force	Statistical Register Employment	Unemployed	Percentage Unemployment
1891	606,395	7.98	48,393	45,205	3,188	6.5
1892	608,666	7.99	48,632	36,695	11,937	24.55
1893	609,500	8.00	48,760	32,752	16,008	32.83
1894	609,379	8.00	48,750	33,049	15,701	32.21
1895	607,933	8.01	48,695	35,467	13,228	27.17
1896	599,497	8.02	48,756	37,779	10,977	22.50
1897	599,621	8.03	48,149	38,671	9,478	19.69
1898	598,332	8.04	48,105	40,631	7,474	15.54
1899	599,765	8.05	48,281	44,041	4,240	8.78
1900	601,773	8.06	48,502	45,794	2,708	5.58
1901	608,436	8.07	49,128	47,059	2,069	4.21
1902	604,318	8.40	50,762	49,658	1,104	2.18
1903	599,950	8,73	52,756	49,434	3,322	6.30
1904	597,617	9.06	54,144	50,554	3,590	6.63
1905	598,134	9.39	56,164	52,925	3,239	5.77
1906	600,856	9.71	58,343	56,339	2,004	3.44
1907	605,775	10.03	60,759	59,691	1,068	1.76
1908	614,937	10.35	63,645	60,873	2,772	4.36
1909	631,021	10.69	67,456	62,822	4,634	6.87
1910	646,482	11.08	71,630	66,309	5,321	7.43
1911	668,818	11.42	76,425	73,573	2,852	3.73
1912	690,056	11.63	80,253	77,565	2,688	3.35
1913	707,444	11.83	83,690	80,054	3,636	4.35
1914	713,307	12.03	85,810	79,772	6,038	7.04
1915	694,210	12.23	84,902	75,971	8,931	10.52
1916	666,245	12.43	82,814	74,924	7,890	9.53
1917	671,075	12.63	84,756	76,654	8,102	9.56
1918	684,243	12.83	87,788	79,005	8,783	10.00
1919	739,956	13.03	96,416	81,357	15,059	15.62
1920	753,803	13.22	99,652	92,101	7,551	7.78
1921	764,905	13.41	102,649	96,379	6,270	6.11 ≿

Sources: Census Reports, Demography Bulletin, Victorian Statistical Registers

year remained in that occupation sector until the next Our figures would be tenable only if the census year. 48,393 males, being the manufacturing S.R.E. work force in 1891, or the equivalent in later years, shifted to no other occupational sector in the intervening years despite changes in economic conditions. That many manufacturing wage earners did just this there can be little doubt although the scope for such movement may have been severely limited if unemployment were no lower in other sectors than in manufacturing. Equally, we can be reasonably sure that a large number sought alternative employment outlets in other sectors, or grubbed a living in rural or coastal areas, gold fossicking, fishing, opal mining, rabbit catching, etc. The character of the Australian economy in the two decades spanning the turn of the century was such as to permit men resorting to fill-in occupations, thereby reducing the incidence of unemployment.

Notwithstanding the severe criticism that could justifiably be levelled against calculating enforced industrial idleness by such treatment of census, population and <u>Statistical Register</u> employment data, the figures shown might usefully be thought of as a rough indication of 'disguised' unemployment. Presumably, those normally employed, or potentially new employees in manufacturing would periodically return to the urban centres (if only to visit wives and families), thus constituting an addition, if once removed, to the urban-located unemployment.

APPENDIX 2

SOURCES AND METHODS USED FOR COMPILING ACTUAL WAGES PAID FOR UNSKILLED WORK FROM BUSINESS RECORDS

John Danks and Co. Pty Ltd

The records of this Victorian hardware manufacturing firm contain wage and earnings data for all employees throughout the period 1890-1921. Initially, just names, listed alphabetically, and wages were recorded. From 1892 employees were grouped into Factory, Warehouse, and Foundry, and after 1911 a more detailed disaggregation showed persons employed in various sub-departments of the factory, in the office and shop as well as separating out females.

Throughout the survey, care was taken to regroup these various categories and sub-categories to provide a continuous series for the whole period.

The major difficulty in using this material was the absence of any information of specific occupations. Names and wage rates only were recorded. However, unlike Robert Reid, and Patterson. Liang and Bruce, the type of goods produced and the character of the work force required made it possible to roughly identify craftsmen, semi-skilled, unskilled, juveniles and females. To provide this occupational, age and sex breakdown, employees were placed in four groups according to the amount of weekly wage rates received. Starting at 1890, those paid 20/- and under were

classed as juveniles, youths, females and apprentices; 21/- to 42/- as unskilled adult male workers; 43/- to 56/- as semi-skilled; and over 56/- as craftsmen. The few persons recorded as receiving higher wages, e.g. £4 a week and above, were judged to have been administrative staff and excluded from the survey.

Placement of employees in these four wages/
occupational groups was arbitrary, decisions being
based partly on estimates of average wage rates paid at
the time, knowledge of union rates enforced by craft
unions and existing differentials, and on the structure
of the wages schedule itself as apparent from
noticeable 'bunchings' shown when the wage data were
fully assembled. The demarcation points between semiskilled and craftsmen presented the most difficult
problem. However, as in 1890, most craftsmen in the
metal trades were paid the union rate of 10/- a day or
more, 60/- a week was selected as the lowest rate for
this category.

Until the late 1900s the demarcation between various groups was sufficiently clear to permit reasonably reliable groupings - the entire wages structure moving downwards, then upwards with some considerable degree of uniformity. Price inflation, the response of different wage boards to wage claims and over-award payments then distorted the previously 'tidy' wages schedule, causing the demarcation points to become much less easily identifiable. Bunching was still a guide to occupations and continued to provide

the main criterion of judgment, but because of overlapping, it was necessary to supplement this by taking note of the proportion of wage earners in each The assumption made was that although over the long or medium period technical innovation and changes in work arrangements would cause alterations in the composition of the firm's work force, substantial year-to-year fluctuations as determined by groupings according to wage rates would more reflect the overlapping of wages paid to individuals in the various Such obvious anomalies thus created categories chosen, were corrected by shifting employees across demarcation points so as to hold proportions of the work force at an approximately constant level, at the same time allowing for changes over the longer period.

Because of the limitation of time and the unnecessary work involved in making calculations for all the wages information available, only a sample month - February - was treated. Until, possibly, 1910 this creates no difficulties, for with few exceptions, February wage rates were held constant for the whole year. As price inflation accelerated and wage adjustments became more frequent, the February-based wage figure becomes less representative of weekly wages earned throughout the year. This is most relevant for the years 1917-21 when wage adjustments occur most frequently. Nonetheless, the wage series calculated show approximately incomes of individuals in various groups, and can reasonably be used to compare with the

ges board

17.

nave been calculated
Reports of New
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the railway service.

The two sets of figures were then combined and a simple average calculated. Given the general practice for railwaymen to remain with the service for some years - especially when jobs for the unskilled were scarce, probably more railwaymen were nearer the leaving than the entering average wage. This would cause the simple average taken to understate the wage received by the 'average' unskilled railwayman, but as there is no information of how long individuals in these grades remained in the service, it is not possible to give different weights to the two series, thereby approaching nearer to a true 'average' wage of unskilled railwaymen. From 1912, this general problem was removed as wage rates paid to new entrants and to those leaving became similar, indicating the discontinuance or severe limitation of incremental payments for service in the railways, at least for this grade of employee.

The combined series is shown in Table 18,

Coal-miners' Wages

As for railwaymen's wages, data for coal-miners is restricted to New South Wales

The most complete and comprehensive wage data for Australian coal-miners in this period are contained in the Newcastle Coal Mining Company records. Their wage ledgers present fortnightly accounts of the numbers of shifts worked, the number of days worked, numbers

employed, total wages paid, average wages per shift, and daily wage rates of mineworkers other than hewers.

At the beginning of the period, wage data are available for two pits, Pit A and Pit B, but as the latter drops out after 1909 it was decided not to use the material collected for this pit.

Table 20 shows average weekly wages received by the three main categories of mine workers, that is, labourers and wheelers (unskilled), hewers (semiskilled), and blacksmiths and carpenters (skilled).

Tracing either of these job categories through the whole period was extremely difficult. Wage data for labourers becomes so fragmentary after 1913 as to be useless. Accounts of wheelers' wages are complete until 1911 when this work was let out to private contractors. The company recommenced direct employment of wheelers in November 1919. An alternative grade of analogous workers, screeners and attending wagons, was used to fill the missing years.

The average daily/weekly wage rates presented are a simple average of wage rates paid to individuals in the various work classifications. Except for some aberrations during the mid and late nineties there was a high degree of uniformity in wage rates paid for all classes of work.

Average weekly <u>earnings</u> for these daily paid staff were calculated by dividing the total wages for each class by the number of persons in approximately fulltime employment. Thus casual employees working perhaps one or a half a day a week were excluded.

Hewers' wages, by far the largest outlay for the company, were more difficult to calculate. The weighted average wage per day worked figures were obtained by totalling first all hewers employed for the fortnight, subtracting days not worked by individual or pairs of hewers and dividing the product into total wages paid.

The average weekly earnings figures were calculated by simply dividing total numbers employed in each fortnight into total wages paid for the same period, and halving the result.

The average wage per shift figures can be obtained only from 1896, when the ledgers record, without explanation or description, the number of shifts and the average wage per shift. In effect, this figure is a simple average obtained by dividing total wages paid in the fortnight by total numbers of shifts worked. The consistently lower figure of weighted average wage per day compared with the average wage per shift is probably accounted for by some hewers working less than a full shift.

Information for blacksmiths and carpenters was exactly the same as for other weekly paid employees, and was treated similarly to that of labourers and wheelers.

Throughout the survey information was collected for the first fortnight in February, May, August and November and averaged to ensure as far as possible a level of wages representative of the whole year.

All the series are presented in Table 19.

New South Wales Rural Wages

Wages paid to pastoral employees were calculated from information recorded in the records of A.M.L. and F. and Goldsborough Mort companies. Stations were selected to give the maximum geographical coverage possible.

The records of 11 stations were examined, and although no single station gave a complete series from 1890-1921, by combining wage data of all stations there was sufficient overlapping to make possible a complete through series.

For all classes of work there was a general uniformity of wages paid, especially to the unskilled employees. 'A pound a week and keep' was general in all stations; only when shifting to higher rates (from 1910-11 onwards) were there slight differences.

Wage data for labourers (generally useful men) and boundary riders were tabulated and averaged across the 11 stations to furnish a general rate paid to unskilled labour in the New South Wales pastoral industry. Given a high degree of labour mobility, it is reasonable to

assume that these wage rates applied to most unskilled rural labour.

To place a value on the board and lodging component of rural workers' wages, reference was made to estimates made by the Commonwealth Court of Conciliation and Arbitration in cases brought by the A.W.U. Base points were established at 1907, 1911, 1917, 1918 and 1920, the monetary value of board and lodging rising in these years from 13/- to 24/-. The intermediate years were filled in by interpolation.

There being no similar estimates for earlier years, the 1907 figure of 13/- was adopted as a standard, and projected back to 1890 by adjusting the amount in accordance with variations in retail prices. This monetary equivalent of board and lodging was added to the money wage figures to give a total wage figure comparable with those of other industries. The results are shown in Table 20.

In 1921 D.T. Sawkins presented estimates of wages for adult males in rural occupations² and these largely confirm the findings of the survey described above. The latter, however, has been used here as it does not feature certain erratic movements in the Sawkins' series, which are most probably statistical rather than actual.

Compendium of Living Wage Declarations and Reports, made by the N.S.W. Board of Trade (Sydney 1921), pp.73-4. 2
Ibid., p.92.

APPENDIX 3

References to over-award payments collected from various literary sources.

1. Annual Reports of the Chief Inspector of Factories, Victorian Parliamentary Papers.

Reports of employers paying better-than-award rates of pay to their employees, in the following trades:

(a) 1902 Report (for the year 1901)

Furniture trade, pastry cooks, boot trade, malt trade, woollen trade.

(b) 1903

Jam trade, woollen trade.

(c) 1904

Aerated waters, boot trade, brassworkers, ironmoulders.

(d) 1905

Brewers, brickmaking, ironmongers, tinsmithing, woodworkers.

(e) 1906

Aerated waters, brick trade, ironmoulders, jam trade, underclothing.

(f) <u>1907</u>

Aerated waters, bedsteads, boot trade, bakers, brick trade, clothing, cycles, dressmaking, fellmongering, glassworkers, ironmoulders, ovenmakers, quarrymen, rubber trade, saddlery, shirts, stone cutters, underclothing, watchmakers, woollen trade.

Specific references cease after 1910, possibly because better-than-award payments were becoming commonplace. Reports from individual inspectors from which the above were collected cease in 1911.

2. Commonwealth Parliamentary Reports, Royal Commission on the Tariff 1906, Vol. V.

- (a) p.1985, boot trade, 'Minimum set at £2.11.0, only one man on the minimum, others paid from £2.12.6 to £3.5.0'.
- (b) p.2013. General over-award payments in various industries.
- (c) p.2131. Ironfounder employer, paying higher than award rates,
- (d) p.1443. Over-award payment in the glass industry.
- (e) p.390. Perambulator manufacturer, 'I pay my men more than the minimum wage because I only have good men'.
- (f) p.2266. Coachmaker employer, '...most of the hands are getting more than that' (10/- a day award rate).
- 3. N.S.W. Industrial Arbitration Reports, Vol. II

 Furniture trade, p.168.

4. N.S.W. Arbitration Court Transcripts of Proceedings

- (a) N.S.W. Sawmill and Timberyard Employees'
 Association v Sydney & Suburban Timber
 Merchants' Association, July 1905, p.515.
- (b) United Furniture Trade Society of N.S.W.,
 Anthony Hordern, November 1904. Report of
 Victorian Wages Board minimum 48/- '...very
 few work at that wage. By statistics from the
 union there, very few work at that wage, they
 nearly all get more'.

- (c) Appeals case October/November 1912, pp.237 and 301.
- (d) Inquiry re Cost of Living and Living Wage 1913/1914, p.397, tight labour market, '...especially in the higher skilled trades, very many more men get more than the award rate'.
- (e) Iron & Shipbuilding Trades Group No. 15, Board's Award, May 1915, Vol. 38, at p.22875, '...a great number of employees in the industry were receiving more than the award rate. That was the evidence all through'.
- (f) Board No. 1, p.442, Die setters rate £2.18, 0. 'We pay most of the die setters...over the award rate...some get £4. 5. 0 a week!.
- (g) Full Court Hearing re Living Wage, September 1918, Vol. 72, p.218, 'It is common knowledge that in certain industries now they are paying more than the wages made by the Court because they cannot get the men'.
- (h) Board of Trade Cost of Living Enquiry, August 1920, p.133, Carpenters, p.139; Boilermakers' helpers, p.254; Machinists, p.267; Picture-Frame Makers, p.281; Hotel Porters.

5. (a) Argus

21 May 1906, '...although the minimum is 8/it is by no means the maximum, and a great
number of men are earning more'.

(b) Sydney Morning Herald

12, 13, 17 July 1907, Cutters and Trimmers
'...over 50 per cent of the trade already paid
£3. 0. 0' (award £2.10. 0).
20 July 1907, Trolleymen, Draymen and Carters.
30 October 1907, minimum £2.12. 0, '...though
more competent workers are receiving £3'.
1 November 1907.

(c) Worker

7 September 1911. The two engineering societies made a joint submission to the wages board stating, 'It is further demanded that employees at present receiving more than the minimum wage shall continue to receive proportionate increases on minimum rates set forth'.

5 December 1912, Carpenters, Plumbers.

6. (a) Victorian Parliamentary Papers, Session 1909, Vol. 2, p.5. Scarcity of labour.

'...employers often pay more than the minimum wage'.

7. Commonwealth Court of Conciliation and Arbitration Transcripts

- (a) Australian Boot Trade Employees' Federation v Whybrow & Co. 1909, extensive over-award payments, p.184. Vol. 3, p.21, '...those getting more than the old rate were prepared to strike to get over the new award.
- (b) Australian Tramways Employees' Association v Prahran & Malvern Tramways Trust, Vol. 12, p.5269. 'Indubitable evidence of men getting more than the minimum...where there is skill'.
- (c) Federated Tanners & Leather Dressers Employees Union of Australia v Alderson & Co. 1914, Vol. 2, p.429. Employers contending '...when the increase was granted [they] passed the increase on to the men even though they were getting even higher than the rate at the time'.
- (d) Waterside Workers Federation v Commonwealth Steamship Owners Association, 1915, Vol. 1, p.270.

- (e) William Anglis & Co. v Amalgamated Meat Industry Employees Union, 1916, pp.467-9, award rate £3.10.10. Union not satisfied 'fixed up' an agreement with the employer to '...receive £6.0.0 a week'.

 Amalgamated Engineers Society v Adelaide Steamship Co., 1920-1, p.103.
- 8. N.S.W. Royal Commission on the Alleged Shortage of Labour (1913)
 - (a) p.267. Industrial Registrar, 'It so frequently occurs wages are paid above the award rates that it becomes a matter of statistical importance'.
 - (b) p.348. Plasterers' strike, '...employers already paying 1s. over award rate' union demanding a further 1s.
- 9. Proceedings of a Conference Between Representatives of the Boot Manufacturers' Association of N.S.W.,
 Victoria and Queensland, and Representatives of the Australian Boot Trade Employees Federation
 - (a) Sydney 24 June 1914, p.4, extensive over-award payments. Appendix B. Award 54/-, wages schedule showing average wage for 1914 = 62/5.
 - (b) Conference...1916, p.4, the majority of manufacturers were paying over-award payments. See also p.11.
- 10. <u>Inter-State Commission of Australia Price Investigation 1917-18</u>
 - (a) No. 9 Report Boot and Shoes, p.46, ...evidence showed that it is at present general practice of boot manufacturers in some States to pay... nearly 10 per cent advance upon the latest award.

11. M.T. Rankin, Arbitration and Conciliation in Australia

Pp.77-80.

12. Aves Report to the British Home Office...

P.49. Details of considerable over-award payments in various trades.

13. (a) Australian Typographical Journal

September 1906 for over-award in the printing industry.

(b) Typographical Association, General Meeting Minutes

2 December 1919, Union insisting that margins over old award should be maintained in the new award.

- 14. Interim Report of the Royal Commission of Inquiry into the Alleged Shortage of Labour in the State of New South Wales October 1911.
 - (a) P.xii, Plumbers; p.xix, Wax Thread Machinists; p.xxiv, Jewellery, 'One manufacturer able to secure services of one extra hand (from New Zealand) by paying him an increased wage, only to lose him within a week to another employer who offered more'.
 - (b) P.34. Coachmakers, 'I am probably paying now wages higher than the award rates right through', employer'...knew of many cases where they [other employers] are paying mostly above the award rates'.
 - (c) P.43. Masons, competition among employers for scarce labour.
 - (d) P.50. Masons, men enticed award from employers by offers of higher wages.
 - (e) P.62. Mantle and costume makers.

- (f) P.68. Straw Hat Makers.
- (g) P.71. Clothing and Oilskin manufacturers.
- (h) P.75. State clothing factory, paying more than award rates. Anthony Horderns' factory 'extraordinary enticements'.
- (i) P.93. Building industry.
- (j) P.95. Manufacturing jewellers, '...intense wage competition'.
- (k) P.119. Clothing employers bidding for scarce labour.
- (1) P.112. Tailoresses '...often [receive] increased wages above award rates to retain labour against rival manufacturers'.
 - P.120. Clothing trade.
- (m) P.114. Tailor and Mercer, 'The consumer at present is paying a sort of fictitious advance in his cost of living because the manufacturers who are robbing [labour] from one another and paying over and above a legitimate wage has to pass that on to the cost of the goods'.
- (n) Pp.124-5, Leather and fancy goods manufacturers.
- (o) P.128. David Jones, '...in 99 cases out of a 100 we pay more than the award'.
- (p) P.141. Master builder losing bricklayers to rivals paying higher wages.
- (q) Pp.149 and 161. Clothing manufacturers, also pp.154 and 159.
- (r) P.158. Canvas, tarpaulin etc., '...other firms offer them more wages to induce them to go'.

- (s) P.161. General competition between employers forcing up wages.
- (t) P.165. Timber merchants '...paying considerably over wages board award'. Union Box Packing Co. '...paying higher than union rates to retain staff against competition'.
- (u) P.170. Timber merchants '...lost all his machinists to rival employers offering higher wages'.
- (v) P.208. Boot and shoe, employers gave females 25/- '...the hat factories offered them 27/6 and we had to offer to give them the same to retain them'.
- (w) P.285. Electrical fittings. 'There is no man in our employ gets as low a wage as the minimum wage'.

APPENDIX 4

VICTORIAN TRADE UNIONS, 1889-1914

Official statistics of trade unions contained in Reports published in Votes and Proceedings of Parliament are of very little use. For some reason, most Victorian unions would not register under the Trade Unions Act of 1890 and by 1914 only eleven unions had done so.

To obtain a better appreciation of trade union strength at different times, use has been made of information recorded in the Accounts Books and Minute Books of the Melbourne Trades Hall Council.

Table I lists monies paid by individual unions affiliated with the T.H.C. from 1889 to 1914. The amounts recorded were for two types of affiliation

- (1) dues for full membership;
- (2) a 'representative fee' of £1. 1. 0 per delegate, probably giving the union 'observer' or 'non-voting' status (during the 25 years studied, only a small minority of unions paid just the Representative Fee).

Full membership dues were based on union membership, i.e. 6d. per financial member per quarter. If all unions had adhered strictly to this rule, the financial data should be a reasonably accurate guide of

unions' numerical strength. But there are snags. Some unions paid a sum unvarying with changes in membership. The Victorian Typographical Society for example, paid £13 a quarter for practically the whole period, even though it is clear that its membership was seriously affected by economic conditions and technological innovation. The overwhelming majority of unions, however, appear to have observed this constitutional requirement, and adjusted their contributions accordingly.

A more serious problem is that of 'rent'. Before 1903 the <u>sum</u> of union payments, when transferred to the overall Balance Sheet was described as 'Contributions from Societies', but from the second half of the year, the description was changed to 'Rents from Societies'. Apparently, the payments made by unions were not merely membership-based affiliation fees, but also membership-based rent charges for the use of meeting rooms in the Hall. If it could be thought the two always moved together, this would present no problem in estimating year-by-year changes in union strength, although it would cause a material over-estimate of unions' actual membership if the 6d per member per quarter criterion were applied to the total affiliation-plus-rent figures.

The data were not disaggregated to give a net affiliation fee figure until 1916. A check of the years 1916-1921 shows the 'rent' component to have been a fairly constant 45 per cent of the total figure. For these years then, a membership figures might be

calculated by reducing the total 'contribution' figure by 45 per cent and applying to the residual the 6d per member fee. If earlier years had been ones of relative stability, it might be possible to project the 1916-21 proportion back to obtain membership figures for the whole period. As economic conditions in the 1890s and 1900s were far from stable, such a measure would be highly suspect. Unions may well have continued to keep to the membership-based <u>affiliation</u> fee rule, but the need to economise on expenses probably curtailed the use made of T.H.C. rooms and thus reduced the proportion of total subscriptions ascribable to 'rent'. If this were so, some allowance should be made in any attempt to calculate membership figures from financial data.

One rough test of the hypothesis that the rent component was a smaller proportion of contributions in time of economic depression is possible by using alternative financial data recorded in the T.H.C. Minute Books. Up to the fourth quarter of 1903, the Secretary recorded in the minutes what appear to be subscriptions net of rent paid by affiliated unions. Unfortunately there is no overlapping period when these figures can be compared with the Accounts Books data, but comparison of total fees paid by individual unions as recorded in both sources show a marked difference. Minute Book figures were always considerably lower than those in Accounts Books. To show changes in the difference between the two sets of

figures Minute Book figures were aggregated for the period 1891-1902. The result is set out in Table II.

Minute Book figures for 1892, 1896 and 1898 are unreasonably high compared with the Account Book series. This is difficult to explain, but it may be due to the former source recording substantial arrears' payments paid by large societies which were proper to the previous years, and had been so recorded in the Account Book. If however these largely unexplained aberrations can be disregarded, the trend movement seems to confirm that, given that the difference between the two series is a rough indication of the rent component, the proportion of subscriptions ascribable to rent fell during bad years and recovered with prosperity.

A further factor to be considered is that the data relate just to unions affiliated to the T.H.C. From the study of Victorian trade unionism it seems likely that very few unions chose not to be associated in some way with the Council. The Victorian Amalgamated Miners' Association was the main exception. Furthermore, and unlike the N.S.W. experience, there appears to have been no major conflicts among various Victorian unions which might have caused some unions to stay out of or leave the T.H.C.

More important, perhaps, is the question of whether unions on disaffiliating with the Council during the depression of the 1890s and again in 1902-6 all went out of existence. Frequently, as shown by unions named in the re-organising campaigns of

1896-1902 and again after 1907, the two circumstances did coincide. In some instances, however, unions dropping out for two or three years may merely have been saving the affiliation fee. We cannot go further than suggesting that most, in fact, disbanded, and even those which continued to operate must have been so weak as to have commanded little industrial power.

The information presented then, while not giving a precise measure of unions' numerical or financial strength, may provide broad indications of fluctuation in unionism over the general period.

<u>Nineties</u>

A cursory study of these data shows that of the 77 unions affiliated with the T.H.C. in 1891, no more than 20 maintained their contributions for the whole period. Another six unions missed only one year. Building and Printing display the greatest resilience. In the former sector, four out of nine unions never defaulted, whilst all three printing unions existed throughout. This does not mean that even these were not seriously The powerful and wealthy bricklayers! Society for example paid £42 and £37.6 to the Council for 1889 and 1890 respectively. This had fallen to £1 in 1895 and recovered to only £2 in 1898. If the net membership-based fees are calculated by applying the relevant proportions shown in Table II, the changes in memberships may have been in the order of:

$$1889 = 277$$
 $1890 = 248$ $1895 = 9$ $1898 = 181$

The aggregate figures for all unions suggest the lowest point was reached in 1895, subscriptions being approximately a quarter of the 1890 figure. Also, by this time, over a half of the unions had disaffiliated from the Council. Moreover, though numbers of unions had recovered by 1901, total subscriptions lagged considerably, indicating perhaps that at the turn of the century, unions were still smaller and poorer than a decade earlier. It is also instructive to note that most of the manufacturing and service unions organised in 1889-1891 disappeared during the depression. In the service and miscellaneous sector, not one union survived. It was to reorganise these and unions in other industries that the T.H.C. worked as the economy recovered.

Nineteen Hundreds

In the 1900s, Victorian unions seem to have been affected more seriously by unemployment than those in N.S.W. Not only was union organisation halted after 1902, but there occurred a marked reduction in both numbers of unions and T.H.C. finances. From the high point of 89 unions in 1902, numbers fell to 70 in 1904

E.g. 1899: £42 per annum = £10.5 per quarter; 66 per cent of £10.5 = £6.93: £6.93 = 277 sixpences \therefore £42 per annum equals 277 members.

and 1905. The 1901 total was not again reached until 1909. Trades Hall financial receipts from subventions recovered less slowly, reaching the 1902 level by 1907 and continued to increase until 1913. The contradiction implied here is almost certainly explained by (a) the rapid growth in membership of surviving unions, and (b) the rash of amalgamations that characterises the 1907-10 period.

In general, the Victorian experience matches that of N.S.W. There was not an uninterrupted growth of trade unionism from 1901-6 as implied in the Labour Report statistics. On the contrary, unions suffered another sharp reverse and remained relatively weak throughout, thus making compulsory industrial tribunals the more necessary to counter-balance employers' strength.

As a post script, it should be noted that the very rapid growth of tradeunionism from 1908 to 1913 was in good part the spread of organisation among service and miscellaneous occupations. And it was here that many of the sub-labourer and poorly paid wage earners were located. Another interesting analogy with N.S.W. is the complete absence of general unions. Furthermore, from section 10 of Table I it can be seen that unions catering specifically for labourers were not large, and even these probably catered mostly for the 'pick and shovel' labourers.

TABLE I

GROUP 1. BUILDING TRADES

	1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
1. Amal. Carp. & Joiners	18.6	13.5	11.4	17.4	5.3	4.0	4.0	2.5	3.0	3.3	4.0	11.8	19.4
2. " " " No. 2													
3. " " " No. 3	1.4	5.7	7.0	4.2	4.3	1.8							
4. Bricklayers	42.1	37.6	30.1	15.8	7.6	1.0	3.8	2.0	2.0	2.0	5.4	3.2	11.8
5. Bricklayers Richmond												4.2*	
6. Builders' Labourers										1.6		1.0	2.6
7. Builders' Lab's Richmond												1.5	
8. Fibrous Plasterers													
9. Lathers													
10. Marble & Stone Cutters											5.2	4.4	4.2
11. Masons	23.5	23.5	29.4	16.9			13.2	4.1	4.8	5.8	2.7	9.2	2.7
12. Master Masons													
13. Metal Ceiling Fixers													
14. Painters & Decorators	4.3	6.5	10.0	7.0	1.5	1.0	1.3		3.8	1.3		5.0	22.5
15. Plasterers (Aust. Assoc)	1.8	7.1	2.5	1.5					P1	asterers :	Society	3.6	18.1
16. Plasterers (Protective)	2.8	3+5	2.1	2.1									
17. Plumbers	7.5	10.8	6.8	6.5	2.2	2.0	2.0	3.0	4.0	5.2	9.5	7.6	11.0
18. Progressive Carpenters	36.3	33.4	15.4	9.0	4.0	3.5	6.3	4.0	4.0	5.9	3.8	3.8	4.3
19. Slaters & Tilers		,											.5
20. Tile Layers													3.5
21. Tuckpointers													
TOTAL SUBVENTIONS	138.3	141.6	114.7	80.4	24.9	13.3	30.6	15.6	21.6	25.1	30.6	55.3	100.6
NUMBER OF UNIONS	9	9	9	9	6	6	6	5	6	7	6	11	11

*Delegates Fee only.

GROUP 1 (Continued)

		1902 £	1 <u>903</u>	1904 £	1905 £	1906 £	1907 £	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
_									£ 21.8					£ 20.0
	Amal. Carp. & Joiners	15.0	8.3	9.7	12.6	13.0	22.6	25.0	21.0	15.3	29.0	25.7	30.9	
2.												7.3	8.0	21.0
3.													6.0	8.4
	Bricklayers	11.8	4.1	14.1	9.2	7.8	29.7	27.3	34.8	41.6	40.4	57.0	58.0	58.5
5.	Bricklayers Richmond					1.1*	6.3*		1.1*					
6.	Builders' Labourers	2.6	1.3	3.1	3.1	2.5	18.0	23.7	11.0	37.9	22.0	63.1	65.0	79.3
7.	Builders' Lab's Richmond	1.1	1.5	1.1*	1.1*		1.1*	1.1*	1.1*		3.2*			
8.	Fibrous Plasterers												6.3	5.0
9.	Lathers											8.8	9.0	8.8
10.	Marble & Stone Cutters	4.4	2.8	3.0	3.6	6.0	6.0	6.0	6.0	7.5	4.5	12.3	16.6	5.8
11.	Masons	12.5	6.8	4.2	8.9	12.0	8.2	19.0	13.9	12.5	9.9	17.2	14.3	21.5
12	Master Masons													
13.	Metal Ceiling Fixers												1.1	
14.	Painters & Decorators	15.0	4.5	5.8	5.3	5.5	15.0	4.7	17.5	21.7	34.3	58-1	60.7	56.1
15.	Plasterers (Aust. Assoc)	12.8	10.9	8.8	9.0	12.9	15.0	18.1	15.9	26.9	22.7	32.4	61.2	46.1
-	Plasterers (Protective)													
17.	Plumbers	5.0	3.0	5.0	3.6	4.3	6.2	5.2	7.5	23.4	28.6	64.0	52.0	47.6
18.	Progressive Carpenters	3.8	3.7	1.5	2.5	3.6	•5				6.6	8.9	7.2	1.9
19.	Slaters & Tilers	1.5												
20	. Tile Layers	2.3	.6						Ti	le Layers	& Mosaic	Fixers	1.9	2.0
21.	Tuckpointers								2.0	2.5	4.5	3.4	4.7	3.3
	TOTAL SUBVENTIONS	87.8	47.5	56.3	58.9	68.7	128.6	130.1	132.6	189.3	205.7	358.2	402.9	385.3
	NUMBER OF UNIONS	12	11	10	10	10	11	9	11	9	11	12	16	15

*Delegates Fee only.

GROUP	2.	FOOTWEAR,	HATS	AND	CLOTHING

		1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
1.	Bespoke Bootmakers		1.3	3.4	2.0	2.0	8.0	2.3	1.5	3.0	1.5	2.5		
2.	Bootmakers Union	46.0	49.2	60.0	10.8	50.0	60.0		56.0	15.0	27.3	33.3	43.3	30.0
3.	Clickers		10.7	14.1	8.9	2.5		3.0						
4.	F.O. Bootmaker		1.3											
5.	Boot Repairers													• 5
1.	Clothing Trade Empl.													
2.	Victorian Clothing Operations													
3.	Cutters & Trimmers	13.7	10.3	1.5	6.1	3.5		,	1.0				2.5	2.6
4.	Dressmakers													
5.	Garment Workers													
6.	Pressers		13.5	6.0	6.0	2.5			1.0	2.5	1.5		3.0	3.0
7.	Shirt Collar & Whiteworkers													
8.	White Workers													
9.	Tailoresses	12.5	8.7	7.5	4.9	.9	2.4	.8	1.6	1.6	3.3	8.0	3.4	3.5
10.	Tailors	10.0	11.7	20.6	8.5	4.3	2.7	3.6	3.5	1.6	4.1	5.3	5.0	5.0
11.	Outdoor Tailors			2.5										
12.	Textile Workers													
13.	Waterproof Clothing													
14.	Woollen & Flock Mill Empl.													
1.	Felt Hatters	4.0	10.0	4.5	12.0	14.9	9.0	15.0	15.0	9.0	18.0	12.0	12.0	12.0
2.	Felt Hatters' Assist's													
3.	Felt Hat Blockers, Dressers & Wirers													
-	Felt Hat Trimmers			3.4										
	Silk Hatters	2.7	5.0	1.3	2.4	2.6	2.0							v.
6.	Straw Hat Employees													
	TOTAL SUBVENTIONS	88.9	121.7	124.8	61.6	83.2	84.1	24.7	79.6	32.7	55.7	61.1	69.2	56.6
	NUMBER OF UNIONS	6	10	11	9	9	6	5	7	6	6	5	6	7

GROUP 2 (Continued)	

		1902 £	1903 £	1904 £	<u>1905</u> €	1906 £	1907 £	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
1.	Bespoke Bootmakers													
2.	Bootmakers Union	40.0	40.0	40.0	40.0	40.0	50.0	40.0	30.0	42.5	55.0	45.0	35.0	52.5
3.	Clickers													
4.	F.O. Bootmaker													
5.	Boot Repairers	1.0												
1.	Clothing Trade Empl.							23.9	24.7	25.0	36.5	28.5	50.0	30.0
	Victorian Clothing Operations	3.8	, ,	6.6	, ,	0.6	~ 1	5.1	24.7	25.0	30.5	20.9	50.0	30.0
	Cutters & Trimmers	1.3	1.9	0.0	1.5	9.6	7.1	3.1						
	Dressmakers	1.5								.6	_	,		
	Garment Workers									• 6	.6 2.6	.6 7.9	8.3	5.0
-	Pressers	1.0									2.0	7.9	0.)	5.0
	Shirt Collar & Whiteworkers	3.5	4.1	3.4	2.3	.5		2.9 [*]	8.6 [*]	4.2 [*]	5∙7 ^{±}	2.5*	7.0 [±]	2.4 *
	White Workers	3.9	4.1	3.4	ر ۵۰	• • •		2.9	0.0	1.0	3.7 4.5	2.7	7.0	<i>د</i> ٠4
	Tailoresses	3.3	2.6	3.4	3.4	1.7				1.0	4.7			
-	Tailors	5.0	4.6	6.4	10.1	11.5	7.3							
	Outdoor Tailors	٠.٠	4.0	0.4	10.1	11.7	,.,							
	Textile Workers												3.4	7.5
	Waterproof Clothing													1.5
	Woollen & Flock Mill Empl.										4.7	5.2		
1	Felt Hatters	10.0	10.0	10.0	12.0	10.0	6.0	12.0	12.0	12.0	12.0	12.0	0.0	18.0
	Felt Hatters' Assist's	12.0	12.0	12.0	12.0	12.0	6.0	12.0	12.0	12.0	12.0		9.0 4.3	
	Felt Hat Blockers Dressers & Wirers	1.0	2.0								2.8	1.8	4.3	4.9
-	Felt Hat Trimmers	2.1*		2.1*		2.1*	1 1 2 2	1.1*	1.1*	2.1*	2.0	2.1*	3.2*	
	Silk Hatters	2.1*		2.1*		2.1*	1.1*	1.1*	1.1*	2.1*	∠.1*	2.1*	3.2*	
-	Straw Hat Employees									3.5	10.5	7.5	15.0	10.0
٠.	Straw hat Emproyees									3.9	10.5	7.5	15.0	10.0
	TOTAL SUBVENTIONS	74.0	67.2	73.9	69.3	77.4	71.5	85.0	76.4	90.9	137.0	113.1	135.2	130.3
	NUMBER OF UNIONS	11	7	7	6	7	5	6	5	8	11	10	9	8

^{*} Delegates Fee only.

* Shirt Collar Employees

GR	OUP	3.	FOOD.	DRINK	AND	TOBACCO

	1889 £	1890 £	1891 £	1892 £	1893 £	1894	1895 £	1896	1897 £	1898 £	1899 £	1900	1901 £
1. Aerated Water & Cordial Makers	18.6	7.0	13.7	.9	-	~	~	~	~	~	~	~	9.4
2. Bakers	8.4	6.4	32.8	32.3	17.8		23.2	18.1	39.1	41.2	32.3	36.6	63.4
3. Butter Factories					•						J		•7
4. Brewers	20.5	28.8	9.4	16.7	13.7			8.0				3.7	
5. Malsters	1.4	6.8	1.0	1.8									
6. Liquor Trades													
7. Butchers		17.5	18.8	37.3	18.9	6.5	16.7	13.1	20.6	16.4	17.2	22.1	26.9
8. Slaughtermen		10.1											
9. Cigarette Workers													
10. Tobacconists	8.8	10.0	8.6	6.7	7.4	8.0	9.3	6.3	10.2	7.7	3.5	7.5	5.6
11. Tobacco Workers													
12. Cigar Makers	7.0	17.5	10.3	6.5	2.0	2.7	5.0	2.5	.8	1.5	1.8	2.0	18.5
13. Cold Storage Empl.													
14. Confectioners	6.8	11.3	4.1	8.7	3.8	4.0	5.0	2.0	2.0	5.0		3.2	8.0
15. Women Confectioners													
16. Fish Salesmen					8.3								
17. Ham & Bacon													. 6
18. Jam, Sauce, Pickle & Food Preser	vers												19.2
19. Cooks & Assistants													7.5
20. Pastry Cooks										1.0	2.1	1.9	1.2
21. Millers Society	11.1	14.0	19.0	7-5	11.0	6.0	9.0	12.4		6.5	14.8	10.0	10.3
22. Sausage Skin Makers													
TOTAL SUBVENTIONS	82.6	129.4	117.7	118.4	82.9	27.2	68.2	62.4	72.7	79.3	71.7	87.0	171.3
NUMBER OF UNIONS	8	10	9	9	8	5	6	7	5	7	6	8	12

GROUP 3 (Continued)

	1902 £	1903 £	1904 £	1905 £	1906 £	1907 £	1908 £	1 <u>909</u>	1910 £	1911 £	1912 £	1913 £	1914 £
1. Aerated Water & Cordial Makers	4.4	1.0											
2. Bakers	45.1	35.0	59.2	50.5	34.7	47.6	22.5	50.4	46.3	53.4	59.0	69.8	60.0
3. Butter Factories													
4. Brewers	14.0	6.0	9.0										
5. Malsters													
6. Liquor Trades			2.5	14.5	20.0	12.0	19.0	22.0	22.0	28.4	22.9	55.5	46.5
7. Butchers	26.9	26.5	22.4	23.7	33.3	38.5	39.8	44.7	56.6	73.9	69.0	88.9	79.6
8. Slaughtermen													
9. Cigarette Workers										2.9	11.7	5.1	
10. Tebacconists	6.2	5.1	5.1	24.2	10.0	24.2	5.1						
11. Tobacco Workers							19.3	30.5	35.2	39.7	42.7	32.0	42.7
12. Cigar Makers	12.9	13.2	8.8	12.0	13.8	16.0	16.0	18.0	21.4	32.3	19.5	26.0	26.0
13. Cold Storage Empl.							4.7	5.6	6.0	10.7	11.5	20.6	24.0
14. Confectioners	8.0	6.0	6.0	5.0	3.0	6.0	9.0	6.0	6.5	7.0	7.0	7.0	9.0
15. Women Confectioners									1.3	3.3	3.7	.8	
16. Fish Salesmen					1.5	1.5							
17. Ham & Bacon													
18. Jam, Sauce, Pickle & Food Preservers	3.3	2.1							5.3	21.8	31.2	28.4	29.0
19. Cooks & Assistants	16.5	9.3											
20. Pastry Cooks	5.7	2.3			Past	ry Cooks	& Biscuit	Makers	1.3	10.7	16.8	17.6	24.4
21. Millers Society	8.9	7.2	5.4	7.1	8.4	15.0	9.0	15.0	12.0	9.0	12.0	13.5	9.0
22. Sausage Skin Makers	2.1												
TOTAL SUBVENTIONS	154.0	113.7	118.4	137.0	124.7	160.8	144.4	192.2	213.9	293.1	307.0	365.2	350.2
NUMBER OF UNIONS	12	11	8	7	8	8	9	8	11	12	12	12	10

GROUP -	4.	METAL	USING	TRADES

	1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
1. Australian Council of Engineers	6.6	11.6	9.2	26.5	26.1	25.0	18.9	18.8	25.0	25.0	31.3		~
2. Engineers	16.8	17.0	22.2	20.0	17.5	16.0	14.2	12.4	11.6	11.0	11.7	12.6	9.8
3. Amal. Eng. No. 1											•		
4. " " No. 2													
5. Amal. Eng. South Melb.													
6. " " Footscray													
7. Agric. Implement Makers	10.0	15.6	11.4	4.8	1.0							2.0	
8. Bolt, Nut & Barbed Wire													
9. Bedsteads & Fenders													
10. Blacksmiths													
11. Boilermakers	27.6	21.8	20.3	15.9	13.1	10.5	10.0	5.0	7.5	7.5	7.5	7.5	10.0
12. Brass Founders	1.6	10.5	1.5	3.8	1.3					1.3			2.3
13. Brass Workers													8.8
14. Cast Iron Pipe Moulders													
15. Cycle Employees													1.2
16. Farrier			3.5	2.4									
17. Forgemen		.8	1.1	2.6									
18. Iron Dressers	5.0	5.0	2.9										
19. Iron Founders	20.0	20.7	18.4	11.0		4.0	1.6						
20. Iron Moulders	24.5	8.0	9.8	5.3	3.2			2.1	7.8	3.8	9.4	8.8	10.0
21. Ironworkers Assistants	36.6	38.4	30.4	17.0	3.8	5.3					1.1*	1.1*	1.1*
22. Light Iron Moulders	3.0	1.8											2.4
23. Stove & Range Employees													2.9
24. Tinsmiths	20.8	25.9	14.5	16.5	3.9	6.3	4.8	1.3	5.0	5.0	7.5	8.0	11.1
25. Wireworkers & Wire Cloth Weavers													
TOTAL SUBVENTIONS	172.5	177.1	145.2	125.8	69.9	67.1	49.5	39.6	56.9	53.6	68.5	40.0	59.6
NUMBER OF UNIONS	11	12	12	11	8	6	5	5	5	6	6	6	10

*Delegates Fees only.

GROUP 4 (Continued)

	1902 £	1903 £	1904 £	1905 £	1906 £	<u>1907</u> €	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
1. Australian Council of Engineers	62.5	25.0	25.0	25.0	25.0	25.0	25.0						
2. Engineers	18.3	12.9	12.0	13.3	14.7	16.1	17.6	13.5					
3. Amal. Eng. No. 1								3.2*		6.3*		3.2*	3.2*
4. " " No. 2										2.1*	2.1*	2.1*	6.3*
5. Amal. Eng. South Melb.		3.2*		3.2*	3.2*	3.2*	3.2*	3.2*	3.2*	3.2*	3.2*		3.2*
6. " " Footscray										3.2*	3.2*		4.2*
7. Agric. Implement Makers	4.3	5.1	4.5	4.5	7.3	8.0	18.0	18.5	41.0	50.0	37.5	5.0	37.5
8. Bolt, Nut & Barbed Wire											7.6	13.4	
9. Bedsteads & Fenders	2.0	2.5						11.8	5.2	13.0	23.0	13.5	13.5
10. Blacksmiths													
11. Boilermakers	5.0	6.3	10.5	6.0	4.5					34.5	10.5	23.0	
12. Brass Founders													
13. Brass Workers	9.8	9.9	4.0	6.9	4.7	7.0	7.6	7.2	8.5	9.9	28.8	19.3	
14. Cast Iron Pipe Moulders						2.7							
15. Cycle Employees	•5					, •5	6.4	6.3	5.5	22.3	23.0	9.5	28.3
16. Farriers													
17. Forgemen													
18. Iron Dressers													
19. Iron Founders													
20. Iron Moulders	5.0	7.5	17.5	7.5	7.5	13.5	6.0	18.0	9.0	25.0	50.0	40.0	25.0
21. Ironworkers Assistants		1.1*	1.1*	1.1*	1.1*	1.1*		2.1*	2.1*	2.1*		4.2*	4.2*
22. Light Iron Moulders	2.4	1.7	3.7	2.2	2.1	2.0	4.2	5.5	2.9	3.8			
23. Stove & Range Employees	2.0	1.0	2.0	1.5				2.0	2.0	2.6	1.0	4.0	2.0
24. Tinsmiths	9.6	6.0	4.0	4.5	5.0	5.0	6.0	7.5	11.0	20.4	36.6	50.5	30.8
25. Wireworkers & Wire Cloth Weavers							14.3	3.0	2.2	3.5	2.8	1.4	1.4
TOTAL SUBVENTIONS	121.4	82.2	84.3	75.7	75.1	84.1	108.3	101.8	92.6	201.9	229.5	189.1	159.6
NUMBER OF UNIONS	11	12	10	11	10	11	10	13	11	15	13	13	12

*Delegates Fee only.

GROUP 5. PRINTING AND BOOKBINDING													
	1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
1. Bookbinder & Paper Rulers	11.4	24.9	11.3	15.1	11.7	11.0	10.8	10.0	5.3	13.8	11.0	10.0	10.0
2. Women Bookbinders & Stationers													
3. Lithographers	20.9		10.0	6.8	4.0	3.0	3.4	3.8	7.3	4.5	6.0	6.5	9.4
4. Printers Operations					•								
Printing Trades General Worker													
6. Stereotypers	1.5	1.5											
7. Typographical Soc.	52.0	65.0	52.0	52.0	52.0	52.0	26.0	52.0	52.0	52.0	53.0	52.0	52.0
TOTAL SUBVENTIONS	85.8	91.4	73.3	73.9	67.7	66.0	40.2	65.8	64.6	70.3	70.0	68.5	71.4
NUMBER OF UNIONS	4	3	3	3	3	. 3	3	3	3	3	3	3	3
	<u> 1902</u>	1 <u>903</u>	1904 £	<u> 1905</u>	<u>1906</u>	<u> 1907</u>	<u>1908</u>	19 <u>09</u>	1910 £	<u> 1911</u> £	<u>1912</u>	<u> 1913</u>	1914 £
	£			-c		£	C					C	
1. Bookbinder & Paper Rulers	11.0	8.3	14.3	12.0	12.5	15.5	16.0	16.0	12.0	16.0	18.4	31.1	25.0
2. Women Bookbinders & Stationers									1.9	3.7	11.1		13.2
3. Litho Printers & Artists	5.7	5.4	4.8	5.4	8.8	7.0	7.4	7 - 5	7.5	4.6	9.1	11.5	13.2
4. Printers Operations												6.5	41.1
Printing Trades General Worker									6.5	38.8	24.8	16.5	
6. Stereotypers													
7. Typographical Soc.	52.0	52.0	53.8	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0	52.0
TOTAL SUBVENTIONS	68.7	65.7	72.9	69.4	73-3	74.5	75.4	75.5	79.9	115.1	115.4	117.6	144.5
NUMBER OF UNIONS	3	3	3	3	3	3	3	3	5	5	5	5	5

GROUP 6. OTHER MANUFACTURING

		1889 £	1890	1891 £	1892	1893 £	1894 £	1895 £	1896 £	1897	1898 £	1899 £	1900 £	1901 £
1.	Ammunition & Cordite Workers													
2.	Artificial Manure Trade													
3.	Box Case Makers									1.4				
4.	Brick Tile & Pottery Empl.													4.2
5.	Brick Makers			2.2										
6.	Broom Makers	.8												
7.	Brush Makers	2.0	3.4	1.8	2.4	3.0	1.8	2.4	.6				3.2	3.0
8.	Cardboard Box & Carton Emp.													
9.	Coachmakers	14.0	29.9	15.9	11.1	2.7	2.8	2.5	2.5	1.8	.5	. 4	8.8	15.5
10.	Coopers	6.6	9.6	5.0	5.8	5.4	4.3	4.6	4.4	5.0	5.6	5.6	5.2	5.9
11.	Candle, Soap, Starch & Soda	•												
12.	Fellmongers		18.3	10.3	6.4	1.5	1.9						13.4	13.8
13.	Furniture Trade	25.2	39.4	42.7	20.3			6.4	5.8	13.8	6.3	28.1	14.0	47.3
14.	Glass Bevellers													
15.	Glass Embossers													
16.	Glass Painters		.7											
17.	Plate & Stained Glass								6.9	8.6			1.7	5.6
18.	Federated Glass Founders													
19.	Glue & Fat Extractors			1.7						.6	1.7	.5		2.0
20.	Jewellers		3.5	. 9.0	4.5									
21.	Tanners & Curriers		20.0	16.7	10.0	20.0	9.3		2.0	10.5				
22.	Portmanteaux & Leather Bags													
23.	Tanners & Beamsmen			15.8								1.0	8.2	6.0
24.	Leather Dressers													6.0
25	Leather Workers													
26.	Tanners													
27.	Table Hands										3.1	3.2	3.3	1.9
28.	Tanners, Curriers & Leather Dressers													
29.	Tanners & Leather Dressers													
30	Curriers & Fancy Leather										4.7	1.6	2.0	2.8
31.	Match Workers												•	

GROUP 6	(Continued)	

				GROUP	6 (Contin	ued)							
	1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
32. Organ Builders													
33. Millet Broom													2.7
34. Picture Frame Workers													
35. Paper Maker Empl.													
36. Paper Mill Empl.													
37. Paper Bag Empl.													
38. Rope, Twine, Mat & Matting													
39. United Rubber Trade													
40. Saddlers	9.7	10.7	10.9	11.3	5.5	6.7	2.1	4.9	3.4	3.7	6.3	8.6	-11.8
41. Sailmakers	1.1											1.1	
42. Sugar Workers												3	2.5
43. Tie Workers													
44. Timberyard Employees	32.9	64.1	23.3	15.4	1.5	2.5	2.5	1.0	1.5	3.0	3.8	14.0	46.5
45. Timber Sørters & Stackers													
46. Wheelwrights													
47. Wickerworkers	2.3	1.5	2.6	2.6	3.3		3.5	1.0	2.0	1.6	2.0	2.0	2.0
48. Woodturners	5.0	5.3	3.5										
49. Wool Sorters	3.2	3.0											
50. Glass Bottle Blowers Fee										3.2		1.1	
51. Electrical Empl. Assoc.													
TOTAL SUBVENTIONS	102.8	209.4	161.4	89.8	42.9	29.3	24.0	29.1	48.6	33.4	52.5	86.6	179.5
NUMBER OF UNIONS	11	13	14	10	8	7	7	9	10	10	10	14	17

GROUP 6 (C	ontinued)
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	1902 £	1903 £	1904 £	1905 £	1906 £	1907 £	1908 £	<u>1909</u>	1910 £	1911 £	1912 £	1913 £	
1. Ammunition & Cordite Workers	~	-	-							~	~	4.2*	
2. Artificial Manure Trade								6.7	4.0	3.2*	2.1*	3.2*	
3. Box Case Makers													
4. Brick Tile & Pottery Empl.	4.2*		3.2*		4.2*	3.2*	3.2*	3.2*	3.2*	3.2*	3.2*	4.2*	
5. Brick Makers													
6. Broom Makers													
7. Brush Makers	2.8	2.1	2.8	2.1	3.5	3.5	2.1	2.8	2.8	4.6	10.0	10.0	
8. Cardboard Box & Carton Emp.					1.5	3.0	3.0	10.0	10.2	13.0	15.7	11.0	
9. Coachmakers	10.0	3.3	3.0	3.0	3.0	3.5	9.9	11.0	8.0	16.4	25.8	20.6	
10. Coopers	8.0	2.1	12.9	6.0	6.1	7.5	9.6	9.9	13.1	8.3	11.3	15.4	
11. Candle, Soap, Starch & Soda							19.1	20.0	20.0	30.0	15.0	10.7	
12. Fellmongers	4.0	3.0	1.0	2.0	2.0	2.3	4.3	3.8	2.5	9.5	8.5	6.0	
13. Furniture Trade	16.8	15.1	15.3	30.5	20.0	11.3	34.5	10.0	24.5	43.0	45.0	50.0	
14. Glass Bevellers													
15. Glass Embossers													
16. Glass Painters													
17. Plate & Stained Glass	2.1	.9	2.6	1.3	1.3	2.6	1.3						
18. Federated Glass Founders													
19. Glue & Fat Extractors	.7												
20. Jewellers													
21. Tanners & Curriers													
22. Portmanteaux & Leather Bags	5.9	1.9	1.6	3.3	.6								
23. Tanners & Beamsmen													
24. Leather Dressers	8.0	12.0	11.0	10.0	10.0	10.5	9.0						
25. Leather Workers							3.5	4.1	3.7	6.3	9.8	8.3	
26. Tanners	9.0	6.0	5.5	6.0	6.0	6.0							
27. Table Hands													
28. Tanners, Curriers & Leather Dres	ssers						6.3	25.0	38.8	47.5			
29. Tanners & Leather Dressers											50.0	50.0	
30. Curriers & Fancy Leather													
31. Match Workers									2.3	9.3	6.3	6.3	

GROUP 6 (Continued)	

		1902 £	1903 £	1904 £	1905 £	1906 £	1907 £	1908 £	1909 £	1910 £	1911 £	1912 £	1913	1914 £
32.	Organ Builders								.7	-	-	_	-	~
33.	Millet Broom	2.9	2.3	1.1	1.9	1.9	3.8	1.9	3.8	2.5	1.9			
34.	Picture Frame Workers						1.0		7.9	6.7				
35.	Paper Maker Empl.								1.4				5.8	1.3
36.	Paper Mill Empl.													
37•	Paper Bag Empl.						1.0	1.5						
38 •	Rope, Twine, Mat & Matting										2.0			
39•	United Rubber Trade							9.0	28.8	16.7	44.2	36.4	36.3	26.5
40.	Saddlers	9.3	6.7	5.3	6.4	8.2	6.9	9.9	13.0	13.4	19.4	32.7	27.0	27.0
41.	Sailmakers											6.3	7.6	7.2
42.	Sugar Workers	7.5	2.1*	4.2*	4.2*		1.1*		2.1*	1.1*	1.1*	1.1*	2.1*	2.1*
43.	Tie Workers										1.8			
44.	Timberyard Employees	43.2	30.8	22.3	26.5	44.7	47.8	48.0	36.0	50.5	53.0	53.5	53.0	50.0
45.	Timber Sorters & Stackers							8.5	15.0	8.3	15.5	12.8	13.6	13.0
46.	Wheelwrights													
47.	Wickerworkers	2.0	2.0	2.0	1.0		5.0	5.0	2.2	2.3	4.6	6.0	6.6	6.5
48.	Woodturners													
49.	Wool Sorters										1.1*			
50	Glass Bottle Blowers	1.1*	1.1*	1.1*		1.1*	1.1*	1.1*	2.1*	2.1*	2.1*	2.1*	2.1*	2.1*
51.	Electrical Empl. Assoc.	3.0	3.8	5.5	Electrical Wiremen Em	. •5	2.3	3.0	4.1	3.2	17.7	26.5	36.7	41.1 [±]
	TOTAL SUBVENTIONS	140.5	95.2	100.4	105.3	114.6	123.4	193.7	223.6	239.9	358.7	380.1	390.7	372.3
	NUMBER OF UNIONS	18	16	17	15	16	19	21	23	22	24	21	23	21

*Delegates Fees only. *Elec. Trades.

GROUP 7. SERVICES AND MISCELLANEOUS

	1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
1. A.W.U. (Melb. Branch)													2.1
2. Billposters													
3. Breadcarters			2.5										
4. Clerks													2.8
5. Cab Owners & Drivers													
6. Commercial Artists													
7. Domestic Servants		2.1	5.2										20.2
8. Carters and Drivers													
9. Firemen's Union													
10. Firewood Coal Hay & Corn Emp.													
11. Fuel & Fodder Trades													
12. Hay & Corn Dealers	.6												
13. Wood & Coal Yards												1.0	•5
14. Coalyard Employees		5.3											
15. Gardeners & Nurserymen													
16. Gas Stokers	8.3	37.5											
17. General Workers													
18. Grocers & Tea Dealers Employees													
19. Hair Dressers	.2	4.4			•								1.8
20. Hawkers & Dealers													1.3
21. Hospital & Asylum Attendants		5.3											
22. Hotel Keepers Assoc.		5.3											
23. Operatives P.B. Soc.	18.8												
24. Laundry Workers													
25. Lift Attendants													
26. Licensed Collectors		11.8	•5							2.5	2.5		
27. Marine Stores Employees													
28. Manufacturing Grocers Employees													
29. Motor & Transport Chauffeurs													
30. Municipal Employees													
31. Musicians												5.1	17.3
32. Office Cleaners													
33. Packers & Sorters													

GROUP 7 (Continued)

		1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
34.	Photographers													
35.	Postal Elec. Mechanics													
36.	Shop Employees			3.1	4.8									
37.	Stage Hands		2.1	2.1										
38.	Stage Supernummaries													
39.	Storemen & Packers													
40.	Tar Paver & Ashfelter													
41.	Travellers Collections & Canvassers													
42.	Undertakers Assistants		.9										1.4	3.5
43.	United Drivers			5.0										
44.	Vic. Letter Carriers Assoc.													
45.	Waitresses													
46.	Watchmen & Caretakers													
47.	Wool & Grain Stores													
48.	Vic. Vaudeville Artists													
49.	Hotel Caterers Empl. Assoc.													
50.	" " Females													
51.	United Grocers Empl.													
52.	Australian Actors Union													
53.	Brick Carters	2.1												
54.	Albion Fire Brigade	1.7												
55.	Tip Draymen			2.5										
56.	Social Democrats			4.9										
57.	Customs Packers			6.0										
58.	Bottle Washers			4.0	1.0									
59.	Knights of Labour			5.7	1.8	1.0	• 3							
60.	Bakers Carters								1.0	5.0				
61.	Milkmen													
62.	Rural Workers													
63.	Mildura Workers Assoc.													
	TOTAL SUBVENTIONS	31.7	74.7	41.5	7.6	1.0	.3		1.0	5.0	2.5	2.5	7.5	49.5
	NUMBER OF UNIONS	6	9	11	3	1	1		1	1	1	1	3	8

GROUP 7	(Continued)

	1902 £	1903 £	1904 £	1905 £	1906 £	1907 £	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
1. A.W.U. (Melb. Branch)	2.0	2.0	1.0	2.5	1.5	1.5	2.0	3.0	3.0	16.8	25.0	12.5	60.8
2. Billposters									1.7	6.2	5.1	4.0	5.3
3. Breadcarters	9.0	8.6	3.1	1,5		5.0	10.0	21.0	22.0	23.0	20.9	26.2	30.1
4. Clerks	2.0	1.5	1.5	2.0	2.0	2.0	1.0	1.0	6.9	11.0	8.2		9.5
5. Cab Owners & Drivers	14.0	10.0	10.0	10.0	7.0	10.0	8.0	10.0	6.0	10.0	8.0	8.0	6.0
6. Commercial Artists									.6	.6			
7. Domestic Workers							2.7	1.0	2.5	2.0			
8. Carters and Drivers	12.0	4.3	1.0	5.0	2.0	40.0	40.0	30.0	3.0	50.0	40.0	40.0	40.0
9. Firemen's Union										10.0	20.0	20.0	20.0
10. Firewood Coal Hay & Corn Emp.						• 5	5.0	13.4	20.5	25.6			
11. Fuel & Fodder Trades											28.0	37.5	
12. Hay Corn & Chaff Cutters						1.4							
13. Wood & Coal Yards													
14. Coalyard Employees													
15. Gardeners & Nurserymen							2.8	7.7	4.0	3.0	9.0	4.5	6.0
16. Gas Employees										17.8	10.0	10.0	70.0
17. General Workers													
18. Grocers & Tea Dealers Employees				1.9	3.8								
19. Hair Dressers	1.6	• 5	1.5	Haird	ressers &	: Wigmakers	10.8	8.3	17.0	21.8		20.0	15.0
20. Hawkers & Dealers	5.0	1.0	5.9	2.0	2.6	2.5	1.8	7.7	1.1	7.9	7.6	3.3	8.5
21. Hospital & Asylum Attendants										8.0	Hos. Att	. 2.8	2.3
22. Hotel Keepers Assoc.													
23. Operatives P.B. Soc.													
24. Laundry Workers										.6			
25. Lift Attendants									2.3	3.0	4.6	14.6	10.5
26. Licensed Collectors		1.0	4.5	7 • 3	3.2	4.5	3.5	4.5	6.6	3.7	4.4	.9	
27. Marine Stores Employees									1.5	3.0			
28. Manufacturing Grocers Employees												11.4	28.7
29. Motor & Transport Chauffeurs												5.7	10.0
30. Municipal Employees								2.6	31.6	22.5	40.0	56.3	45.0
31. Musicians	20.6	17.4	6.0	18.0	6.0	15.0	15.0	15.0	9.0	20.8	18.7	22.5	20.9
32. Office Cleaners										1.5	2.4		4.0
33. Packers & Sorters								2.0	3.7	4.0	4.3	4.6	
34. Photographers												1.6	2.7

GROUP 7 (Continued)

	1902 £	1903 £	1904 £	1905 £	1906 £	1907 £	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
35. Postal Elec. Mechanics	-									9.9	11.0	8.1	14.4
36. Shop Employees							7.7	4.2	4.2	37.9	40.0	40.0	40.0
37. Vic. Stage Empl.							2.1*	3.2*		4.2*	4.2*	4.2*	4.2*
38. Stage Supernummaries								1.8	5.0	4.6	7.5	5.3	2.4
39. Storemen & Packers												20.0	5.0
40. Tar Pavers & Ashfelters										3.9	6.8	5.2	4.7
41. Travellers Collections & C	anvassers							.8					
42. Undertakers Assistants	1.7	1.5	2.0	1.0		1.5	3.1	5.3	7.5	7.8	7.8	8.4	6.5
43. United Drivers													
44. Vic. Letter Carriers Assoc									1	17.6	32.9	36.0	36.0
45. Waitresses													
46. Watchmen & Caretakers										3.0	8.0	8.1	12.0
47. Wool Grain & Skin Emp.	1.4				,	Wool & Grai	n Stores	6.6	15.4	20.1	42.6		
48. Vic. Vaudeville Artists								2.1*			6.3*	6.3*	
49. Hotel Caterers Empl. Assoc	. 1.1*	3.2*	3.2*	3.2*	3.2*	4.2*	4.2*	4.2*	4.2*	4.2*	4.2*	4.2*	4.2*
50. " " Females										4.6		3.2*	
51. United Grocers Empl.												4.2*	4.2*
52. Australian Actors Union													
53. Brick Carters													
54. Albion Fire Brigade													
55. Tip Draymen													
56. Social Democrats													
57. Customs Packers													
58. Bottle Washers													
59. Knights of Labour													
60. Bakers' Carters													
61. Milkmen										8.4*		4.2*	
62. Rural Workers							1.1*	1.1*	1.1*	4.2*			
TOTAL SUBVENTIONS	70.4	51.0	39.7	54.4	31.3	88.1	120.8	156.5	180.4	403.2	427.5	463.8	528.9
NUMBER OF UNIONS	11	11	11	11	9	12	17	23	24	36	28	34	30
	*Deleg	ates Fees	only.										

GROUP	8.	RAILWAY	UNIONS**

		1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
1.	Certificated Eng. Driv.	17.5	31.2	14.1	9.3	5.1	6.0	6.0	3.0	6.0	6.0	6.0	6.0	4.5
	Loco. Engine Drivers	10.0	-			-								
	Railway Navvies & General Lab's													5.5
	Railway Labourers													
	Rolling Stock Assoc.		5.6											
	Vic. Rly Casuals													2.6
7.	Vic. Rly Daily Paid Empl.									14.2	16.3	7.5	12.5	20.0
	Aust. Tramway Union													
9.	Loco. Eng. Driv. & Firemen													
	Rly Workshops Union	5.8	21.6	27.2	23.4	18.5	13.8	8.5	3.5		5.8	2.5	1.0	
11.	Amal. Rly Empl.												4.2	4.2
12.	Vic. Rly Carriage Bldg												2.1	2.1
13.	Rly & General Workers (Wont Haggi)													
	TOTAL SUBVENTIONS	33.3	58.4	41.3	32.7	23.6	19.8	14.5	6.5	20.2	28.1	16.0	25.8	38.9
	NUMBER OF UNIONS	3	3	2	2	2	2	2	2	2	3	3	5	6
		1902 £	1903	1904 £	1905 £	1906 £	1907 £	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
	Control Chanted Book Book	£ 6.0	£ -		£ 6.0	1. 4.5				£ 12.0	£ 12.4	ε 20.6	20.6	£ 25.8
	Certificated Eng. Driv. Loco. Engine Drivers	0.0	4.5	7.5	6.0	4.5	7.5	7.0	8.5	12.0	12.4	20.0	20.0	25.0
	Railway Navvies & General Lab's	3.3	1.1											
	Railway Labourers	ر.ر												
	Rolling Stock Assoc.													
	Vic. Rly Casuals	6.5	6.2	3.3	5.0	1.1								
	Vic Rly Daily Paid Empl.	7.5		,,,	J-0									
	Aust. Tramway Union	1.5										4.2*	4.2*	4.2*
	Loco. Eng. Driv. & Firemen		4.2*											• • •
	Rly Workshops Union		• • •											
	Amal. Rly Empl.	4.2*												
	Vic. Rly Carriage Bldg	2.1*												
	Rly & General Workers (Wont Haggi)										3.2*			
	TOTAL SUBVENTIONS	29.6	16.0	10.8	11.0	5.6	7.5	7.0	8.5	12.0	15.6	24.8	24.8	30.0
	NUMBER OF UNIONS	6	4	2	2	2	1	1	1	1	2	2	2	2

^{*} Delegates Fees only.

** In 1903 the Victorian Government ordered all railway unions to disaffiliate from the T.H.C. The general railway strike that followed collapsed in a week and all except the C.E.D.U. withdrew.

GROUP	9.	MARINE	AND	WHARF	UNIONS

	1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £
1. Harbour & River Employees Assoc.													
2. Seamen	15.0	10.0	25.0	15.0	30.0				12.3		8.4*		4.2*
3. Dockyard & Ship Labs												1.1*	
4. Fed. Marine Stewards & Pantrymen													
5. Marine Cooks, Bakers & Butchers													
6. Port Phillip 8-hrs Stevedores										1.1*	1.1*	2.1*	4.2*
Port Phillip Shipwrights													
8. Wharf Labourers	48.2	36.9	42.5								4.2*	4.2*	4.2*
TOTAL SUBVENTIONS	63.2	46.9	67.5	15.0	30.0				12.3	1.1	13.7	7.4	12.6
NUMBER OF UNIONS	2	2	2	1	1				1	1	3	3	3
	1902 £	1903 £	1904 £	1905 £	1906 £	1907 £	1908 £	1909 f	1910 £	1911 £	1912 £	19 <u>1</u> 3	1914 £
1. Harbour & River Employees Assoc.	-		-	-	-	-		•	-	_	**	•	-
2. Seamen	4.2*		8.4*	4.2*	4.2*		8.4*	4.2*	4.2*	4.2*	4.2*	4.2*	4.2*
3. Dockyard & Ship Labs	2.1*		1.1*	1.1*	2.1*	1.1*	2.1*	1.1*		1.1*	1.1*	1.1*	6.3*
4. Fed. Marine Stewards & Pantrymen					•					4.2*	4.2*		4.2*
5. Marine Cooks, Bakers & Butchers							3.2*	3.2*		3.2*			10.5*
6. Port Phillip 8-hrs Stevedores	4.2*	4.2*	4.2*	4.2*	4.2*	4.2*	8.4*	4.2*	4.2*		4.2*	8.4*	
7. Port Phillip Shipwrights											2.1*	2.1*	2.1*
8. Wharf Labourers	4.2*	4.2*	4.2*	4.2*	4.2*		4.2*	4.2*	4.2*	4.2*	4.2*	4.2*	
TOTAL SUBVENTIONS	14.7	8.4	17.9	13.7	14.7	5.3	26.3	16.9	12.6	16.9	20.0	20.0	27.3
NUMBER OF UNIONS	4	2	4	4	4	2	5	5	3	5	6	5	5

*Delegates Fees only.

GROUP 10.	GENERAL	LABOURERS

1. Corporation Labourers					<u>1893</u>	£	£	£	1897 £	1898 £	1899 £	£	1901 £
	6.0	10.8	10.0	2.3	4.5					1.8	4.0		9.3
2. General Labourers													
3. Sewerage & Gen. Labourers													
4. Stone breakers			6.8										
5. United Labourers Prot.	8.0	9.3	11.6	6.1									
6. Quarrymen													
7. Labourers Friendly	1.8	3.0	3.7	3.0									
TOTAL SUBVENTIONS	15.8	23.1	32.1	11.4	4.5					1.8	4.0		9.3
	_3		J / -										7.5
NUMBER OF UNIONS	3	3	4	3	1					1	1		1
	1902 £	1903 £	1904 £	<u>1905</u>	1906 £	1907 £	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
1. Corporation Labourers 2. General Labourers	9.2	4.0	10.0 .5	7.2	4.6	5.0	6.0	2.8					
3. Sewerage & Gen. Labourers			.,			17.5	26.0	15.0	5.0	29.1			
4. Stone breakers								•					
5. United Labourers Prot.										20.3	53.1	25.0	25.0
6. Quarrymen											4.2	4.2	
TOTAL SUBVENTIONS	9.2	4.0	10.5	7.2	4.6	22.5	32.0	17.8	5.0	49.4	57.3	29.2	25.0

3RO	UP	11.	MINING

	1889 £	1890 £	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	<u>1897</u> £	1898 £	<u>1899</u>	1900 £	1901 £
1. Vic. Coal Miners													
2. Vic. Coal Assoc.													
3. Coal Outtrim													4.2*
4. Vic. Coal-miners Assoc. Outtrim													
TOTAL SUBVENTIONS													4.2
NUMBER OF UNIONS													1
	1902 £	1903 £	1904 £	1905 £	1906 £	1907 £	1908 £	1909 £	1910 £	<u>1911</u> €	1912 £	1913 £	1914 £
1. Vic. Coal Miners												4.2*	
2. Vic. Coal Assoc.		4.2*											
3. Coal Outtrim													
4. Vic. Coal-miners Assoc. Outtrim	4.2*												
TOTAL SUBVENTIONS	4.2	4.2										4.2	
NUMBER OF UNIONS	1	1										1	
												*	
	1889 £	1890 £	1891 £	<u>1892</u> €	1893 £	1894 £	1895 £	<u>1896</u>	<u>1897</u> €	1898 £	<u>1899</u>	1900 £	190 <u>1</u>
TOTAL SUBVENTIONS ALL UNIONS	814.9	1073.7	919.5	616.6	430.6	307.1	251.7	299.6	334.6	350.9	390.6	447.3	753.5
TOTAL UNIONS	63	74	77	60	47	36	34	39	39	45	44	59	79
			1										
	1902 £	1903 £	1904 £	1905 £	1906 £	1 <u>907</u>	1908 £	1909 £	1910 £	1911 £	1912 £	1913 £	1914 £
TOTAL SUBVENTIONS ALL UNIONS	774.5	555.1	585.1	601.9	590.0	766.3	923.0	1001.8	1116.5	1796.6	2032.9	2142.7	2153.4
TOTAL UNIONS	90	79	74	70	70	74	83	94	95	123	111	122	109

Total Unions named over whole period = 245. Largest number in any one year = 122.

^{*}Delegates Fees only.

TABLE II

FINANCES AND APPROXIMATE MEMBERSHIP OF TRADE UNIONS AFFILIATED WITH THE MELBOURNE T.H.C.*

	1891 £	1892 £	1893 £	1894 £	1895 £	1896 £	1897 £	1898 £	1899 £	1900 £	1901 £	1902 £
A. Account Books	919.5	616.6	430.6	307.1	251.7	299.6	334.6	350.9	390.6	447.3	753.5	775.5
B. Minute Books	607.0	588.2	333.2	253.8	223.0	297.4	287.0	355 - 5	344.7	327.6	585.2	612.4
B and a proportion of A	66.0	95.4	77.3	82.7	86.9	99.3	85.8	101.3	88.2	73.1	77.6	78.9
Approximate Membership based on Minute Book figures. Unions paying only a representatives fee not included.	6,070	5,882	3,332	2,538	2,230	2,974	2,870	3,544	3,299	3,149	5,673	5,787

^{*} Figures are not for T.H.C.'s total finances. Other sources of revenue such as room rents, interest on investments and donations and loans from various sources were frequently more important than total subvention fees.

Note The lower Account Book figures for the recovery period, i.e., approximately from 1899, compared with those for 1889-91 is due partly to certain large unions, e.g. Ironworkers' Assistants (Group 2), Seamen, and Wharf Labourers (Group 8) paying only representative fees in the later period. Earlier, membership-based subvention fees paid by these three unions represented over 10 per cent of total subventions. Assuming the same proportion as in 1889-1891, if these unions had retained full membership of the Council after the depression, subvention figures for 1899 and 1900 might have been about £497.0 and £837.2 respectively.

APPENDIX 5

REFERENCES TO MECHANISATION IN VARIOUS INDUSTRIES

- A. Philipp, <u>Trade Union Organisation</u>..., op. cit., Chapter 4.
- B. Fry, op. cit., pp.6 and 147.
- C. J.R. Neal, 'The Beginning of the Labour Party in N.S.W.', M.A. Thesis, University of Melbourne, 1953, p.10.
- D. Royal Comm. on Strikes, Q.9758; boilermaking.
- E. N.S.W. Votes and Proceedings of Parliament, 1891-2, Vol. 7, p.1111; furniture trade.
- F. Hagan, op. cit., pp.166-172; printing.
- G. N.S.W. Parl. Debates, 1900, Vol. 103, pp.922-3.
- H. Tocsin, 14 April 1898; bookbinding, stationery, biscuits, boots, jam, tobacco, cigars, hats, woollen goods, 10 November 1898, asphalt paving.
- I. Tocsin, 30 May 1901; electrical rivetting, needlemaking, can making, labelling, platen press, cigar making, breadmaking, glass blowing, cotton spinning, weaving, horse shoes, nailmaking, steel billets, boilermaking.
- J. <u>Tocsin</u>, 29 August 1901; wheat stacking, plough and other agricultural machinery, sawmilling, soap making, paper ruling, tailoring.
- K. Q.W., 9 January 1904; as above plus pottery, ship loading, steel wire, watches.

- L. Q.W., 17 May 1902, 30 January 1904, 11 June 1904, 3 December 1904, 8 July 1905; coal cutting.
- M. Q.W., 29 August 1903; printing.
- N. Q.W., 23 April 1904; timber cutting.
- 0. Q.W., 17 May 1902, cigar trade.
- P. Q.W., 25 March 1905; glass blowing.
- Q. Royal Comm. 1913, p.371; guttering machines; p.381, rock chopping; p.463, farriers.
- R. T. & L.C., 23 March 1905. General discussion on the affect of mechanisation on crafts and apprenticeship.
- S. T. & L.C., 28 November 1905. General discussion on the affect of mechanisation; advocating shorter hours.
- T. T. & L.C., 21 March 1901; plastering, and general discussion.
- U. Worker, 14 December 1905, speech by Andrew Fisher.
- V. Comm. Court, Australian Boot Trade Employees Union v Whybrow and others, Transcript, p.180 B.
- W. T.H.C., 5 August 1904; leather dressing.
- X. T.H.C., 23 June 1905; general discussion on the effect of 'efficient and faster machines'.
- Y. Official Report of the Federal Trades Union Congress, Melbourne, February 1907, p.6, machinery and unemployment.
- Z. Collier, op. cit., pp.1913-4.

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