

THE RISE and FALL of 'MARVELLOUS MELBOURNE'  
1880 - 1895

by

Graeme Davison

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This thesis is my own work.

Graeme Davison

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LIST OF ABBREVIATIONS

|                   |  |
|-------------------|--|
| <u>A.B.C.N.</u>   | <u>Australasian Builder and Contractors' News.</u>                       |
| <u>A.B.S.G.</u>   | <u>Australasian Building Societies' and Mortgage Companies' Gazette.</u> |
| <u>A.D.B.</u>     | <u>Australian Dictionary of Biography</u>                                |
| <u>A.F.G.</u>     | <u>Australian Financial Gazette</u>                                      |
| <u>A.G.J.</u>     | <u>Australasian Grocers' Journal and Storekeepers' Gazette</u>           |
| <u>A.I.</u>       | <u>Australasian Ironmonger</u>   |
| <u>A.I.B.R.</u>   | <u>Australasian Insurance and Banking Record</u>                         |
| <u>A.M.G.</u>     | <u>Australian Medical Gazette</u>  |
| <u>A.M.J.</u>     | <u>Australian Medical Journal</u>  |
| A.N.L.            | Australian National Library  |
| <u>A.T.R.</u>     | <u>Australasian Trade Review and Manufacturers' Journal</u>              |
| <u>J.C.</u>       | <u>Journal of Commerce and Melbourne Prices Current</u>                  |
| <u>J.R.A.H.S.</u> | <u>Journal of the Royal Australian Historical Society</u>                |
| R.C.F.A           | Royal Commission on the Factory Act                                      |
| R.C.T.            | Royal Commission on the Tariff   |
| S.L.V.            | State Library of Victoria  |

V.P.D.

Victorian Parliamentary Debates.

V.P.P.

Votes and Proceedings of the  
Legislative Assembly of Victoria  
and Papers presented to Both Houses  
of Parliament by Command.

PRECIS

During the eighteen-eighties Melbourne may be said to have become a 'metropolis'. Its spectacular physical growth was accompanied by changes which brought the structures and institutions of its work-life more closely into line with those of an organized market. In commerce, established merchants faced the challenge of new competitors, methods and values; in manufacturing industry, the old Protectionist alliance of masters and men fell victim to altered industrial conditions; the traditional skills and relations of builders and journeymen were displaced by those of the sub-contractor and 'jerry-builder'; even the professions and civil service were not immune from market pressures and constraints.

It was a time of affluence and, away from the city's productive centre, in the sprawling railway and tramway suburbs, ordinary Melbournians aspired to - and often achieved - the pride and security of their own homes. Increasingly, too, they were able to maintain some, at least, of the uses and 'appearances' of a metropolis.

But, with the economic collapse of the early 'nineties, the market became a gladiatorial arena, and competition an instrument of mutual destruction. Workingmen became unemployed; home-owners were expropriated; families had to struggle simply to survive. And the ideals of the boom-time metropolis - of 'Marvellous Melbourne' - were overturned.

## INTRODUCTION

From the beginning of our history, most Australians have lived in the capital cities of the south-eastern seaboard; yet little of our written history is about their way of life, their changing fortunes or their sense of identity. While this paradox is itself worthy of study, the present thesis undertakes a more limited task. It is concerned to describe only one episode - dramatic and therefore, perhaps, atypical - in the history of one of the larger cities. Yet, as historians have already discovered,<sup>1</sup> it is a city and an episode of unusual interest. From the gold rushes of the eighteen-fifties to the turn of the century, Melbourne was the most populous city on the continent, the centre of its commerce and finance, the acknowledged 'Metropolis of Australasia'. For a shorter period, which coincides almost exactly with the interval between the Melbourne International Exhibition of 1880-1 and the Centennial Exhibition of 1888-9, Melbourne's progress attained a vigour, intensity and splendour which justified its popular title - 'Marvellous Melbourne'.

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1

The main accounts of this period, to date, are those of Asa Briggs in his Victorian Cities (London 1963), James Grant and Geoffrey Serle in The Melbourne Scene 1803-1956 (Melbourne 1957) and Robin Moore in his 'Marvellous Melbourne' - A Social History of Melbourne in the 'Eighties', M.A. thesis, University of Melbourne, 1958.

With the economic depression of the early 'nineties, however, it suffered such a calamitous decline - economic, social and even spiritual - that its citizens began to refer to it as 'Miserable Melbourne'. In the following pages I have attempted to examine some of the social aspects of the events and processes which appear collectively as the rise and fall of 'Marvellous Melbourne'.

Such a task is immeasurably lightened by the work of the several economic historians who have charted the broad outlines of growth and decline,<sup>1</sup> and told the story of several of the more important financial institutions.<sup>2</sup> I have not attempted to engage their main concerns or to contribute, except perhaps tangentially, to ongoing arguments about the economic significance of boom and depression, and of the complex relations between them. But I have found in their work a framework within which to locate my own more parochial enquiries.

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1

Notably N.G. Butlin, Investment in Australian Economic Development 1861-1900 (Cambridge 1964), Australian Domestic Product, Investment and Foreign Borrowing 1861-1938/9 (Cambridge 1962); A.R. Hall, The Stock Exchange of Melbourne and the Victorian Economy 1852-1900 (Canberra 1968); W.A. Sinclair, Economic Recovery in Victoria 1894-1899 (Canberra 1956).

2

A.R. Hall, op.cit., Geoffrey Blainey, Gold and Paper: A History of the National Bank of Australasia Limited (Melbourne 1958), S.J. Butlin, Australia and New Zealand Bank: The Bank of Australasia and the Union Bank of Australia Limited 1828-1951, (London 1961).

The Exhibition of 1880-1 marks, and was partly intended to stimulate, recovery from a sharp and painful recession in the late 'seventies, when unemployment and social distress had been exacerbated by the party warfare of the constitutional crisis.<sup>1</sup> From this time, however, there was a steady rise in most indicators of economic activity.<sup>2</sup> In particular, there was accelerated investment, both public and private, in what may be described as 'urban' sectors of the economy: housing, transport and 'essential services'. The population of Melbourne itself increased from 284,874 to 491,700 over the following decade. Per capita imports rose from £18 in 1879 to £22 in 1889. There was a large inflow of overseas, and especially British, capital which, however, was increasingly diverted to speculative transactions, particularly in urban and suburban real estate. Real wages and employment were also maintained at high levels. Despite some slackening in 1883 and 1886, rapid expansion continued to its peak in the 'landboom' of 1888.<sup>3</sup>

Economic historians are not agreed on the precise relationship - functional or even chronological - between the bursting of the landboom in October-November 1888

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1

J.E. Parnaby, 'The Economic and Political Development of Victoria 1877-81', Ph.D. thesis, University of Melbourne, 1951.

2

See A.R. Hall, *op.cit.*, pp.49, 56, 115-6.

3

For a somewhat tendentious account of speculation at this time see Michael Cannon, The Landboomers (Melbourne 1966).

and the depression which was most evident some four years later.<sup>1</sup> The main characteristics of the latter, however, were unmistakable. The level of activity, especially in housing and real estate, slumped dramatically. There were substantial net outflows of capital and population; Melbourne itself lost 56,000<sup>2</sup> citizens. Financial institutions, especially those - like land companies, building societies and trading banks - which advanced great sums at boom values, were left on a most insecure footing. In 1891-2, many of the land companies and building societies collapsed; in 1893 all but a few of the main trading banks closed their doors.<sup>3</sup> The Government pursued a policy of cramping retrenchment while confidence ebbed and unemployment and distress grew apace.

This is not the place for a full explanation of the rise of 'Marvellous Melbourne'; but at least some of the more important conditions assisting it should be mentioned. Externally, it occurred under unusually favourable circumstances. British capital was seeking new outlets away from traditional areas of investment in the United States, Canada and South America. In the late 'seventies and early 'eighties, Britain itself was

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1

Cf., especially Butlin, Investment..., chapter VI and Hall, op.cit., chapter 4.

2

1891-95. From Statistical Registers 'Population'.

3

The best accounts of these events are contained in S.J. Butlin, op.cit., chapter 12, and Geoffrey Blainey, op.cit., chapter 10.



undergoing economic upheavals which increased emigration to, among other places, Melbourne.<sup>1</sup> There was, moreover, a minor revolution in communications between Europe and Australia which brought Melbourne, increasingly, into an international economic community. Telegraph and steamship communication ceased to be novelties and became common instruments of trade. The Exhibitions of 1880-1<sup>2</sup> and 1888-9 made businessmen, and citizens generally, aware of the latest developments in technology and commerce.

Internally, Melbourne's spectacular growth seems an almost predictable 'long-period effect' of the gold rush. During the 'fifties, its population had increased more than four-fold. The immigrants who had mainly supplied this increase were generally young and either 'eligible' or newly-married. They reproduced prolifically in the succeeding decade and their children, in turn, reached marriageable, and hence 'home-seeking' age, during the 'eighties.'<sup>3</sup> Further, as the gold deposits were gradually worked out, there was some population

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1

M.H. Carrier and J.R. Jeffrey, External Migration, A Study of the Available Statistics 1815-1950. (Studies on Medical and Population Subjects no.6, London 1953) pp.21, 96.

2

J.R. Parris, 'The Melbourne International Exhibition 1880-1', B.A. thesis, University of Melbourne, 1955.

3

A.R. Hall, 'Some Long Period Effects of the Kinked Age Distribution of the Population of Australia 1861-1961' in Economic Record, vol.39, no.85, March 1963, pp.43ff.

movement back towards the metropolis.<sup>1</sup> Finally, one wonders, with Edward Shann, whether the gold rush perhaps had some more elusive, though retarded, effect upon the whole temper of the city's economic life.

No community lacks would-be leaders who confuse city-streets, railway mileage and tall chimneys with civilization, who mistake speculation for prosperity and money-grabbing for the good life. Perhaps it was inevitable that such men should dominate Victoria a generation after the gold rushes. They had dreamed of and achieved the transformation of so many canvas towns into cities that it had become a part of their character to look at finance and government with contractors' eyes.<sup>2</sup>

Shann's remark, however censorious and slippery, directs us to an aspect of Melbourne's growth which has hitherto received little, other than polemical, attention. It concerns the human resources, social institutions and urban ideals which, as much perhaps as the quantities of growth, are a fundamental element in the city's history.<sup>3</sup> These, in fact, are the main currency in the present account. Both as a whole, and within its various chapters, this thesis attempts to convey the reader from the outlines of demographic and economic change, through an examination of social structures, to an understanding of the values and ideals embodied in 'Marvellous Melbourne'. The enquiry begins in 'the city'

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1

A.R. Hall, Stock Exchange..., p.53.

2

An Economic History of Australia (Cambridge 1930), p.298.

3

Asa Briggs, 'The Victorian City - Quantity and Quality' in Victorian Studies, XI, Supplement, Summer 1968, pp.711-30.

- the productive centre; it moves, in Part 2, to the consumer society of the suburbs; it concludes with an examination of the ideal itself.

By the late 'eighties her citizens recognized that Melbourne was 'not only a city, but most distinctly a metropolis':<sup>1</sup> its growing dominance over the continent had been accompanied by striking changes in the structure and temper of its economic life. N.S.B. Gras in his Introduction to Economic History<sup>2</sup> defined a 'metropolitan economy' as

the organization of producers and consumers mutually dependent for goods and services, wherein their wants are supplied by a system of exchange concentrated in a large city which is the focus of local trade and the center through which normal economic relations with the outside are established and maintained.

It was, he went on to say, a main feature of such an economy that it had developed 'a well-organized market system'. In Melbourne, this market-system largely comprised a set of interdependent, but physically identifiable, market-places.<sup>4</sup> There were markets for primary products: the hay market at the top of

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1

Alexander Sutherland, Victoria and its Metropolis. (Melbourne 1888), vol.I, p.576.

2

(New York 1922), pp.186-7.

3

In fact he mentioned four main characteristics: the organization of a market, the growth of internal and external transport and communications, the development of industry and the establishment of a financial centre.

Elizabeth street; the wool market, newly-removed from London;<sup>1</sup> the Victoria fruit and vegetable market; the livestock saleyards at Newmarket. Similarly, in the south-western quarter of the city, the network of merchants, agents and brokers constituted a coherent and identifiable market for imported goods: Flinders-lane for softgoods, William street for groceries, Collins street for wines and spirits. Further, there was, especially in Collins and Queen streets, a developing capital market of interconnected banks, insurance companies, stockbrokers and building societies. Some markets actually operated through an exchange building: there were, for example, a Wool Exchange, a Hall of Commerce, a Builders' Exchange, a clearing house for cheques, and two stock exchanges.

But the idea of a market or competitive system of exchange has much wider applicability than this physical network of market-places. It was believed that 'everything we use has a value. Everything of value has a market'.<sup>2</sup> When a city becomes a metropolis, its citizens tend to operate, even in relation to personal and professional services, as bidders in a market rather than as status-holders in a community. The permeation of market structures and values to sectors of economic life, such as the professions (chapter 4) and the civil service (chapter 5), where personal or traditional

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1

Alan Barnard, The Australian Wool Market 1840-1900 (Melbourne 1958), chapter 7.

2

Australasian Building Societies' and Mortgage Companies Gazette, 22 May 1890, p.29.

relations had once held sway and to others, like building (chapter 3) and manufacturing (chapter 2) where their dominion was still contested by traditional sentiments of craftsmanship or attachments to communal or hierarchical structures is the main theme of Part 1 of this thesis. But, first, we must turn to that sector of the city's economic life where, it would seem, the market was an uncontested arbiter.

PART 1 : CITY

## CHAPTER 1

### 'FROM MEN TO MONEY-GRUBBERS'

The Melbourne merchant community, even as late as 1880, was a recognizable creation of the 250 earnest young men of business who had revolutionized it almost thirty years earlier. In the short, hectic course of those gold rush years they had transformed the simple, seasonal and familiar trade of a small port with a sparsely-settled pastoral hinterland to the varied, speculative and competitive commerce of a growing city. Although some of the older pastoral agents continued in their cautious, unspeculating ways, the temper of commerce was henceforth set by the newcomers with their 'infinite variety of European importations' and 'modern amenities of dealing'.<sup>1</sup> They had come from many places both within and outside the United Kingdom, but it is proper to regard them as a group: their warehouses were clustered in the same quarter of the city, close to Queen's wharf and the Customs House; they were of a similar age and many of them, newly-married, lived by the sea at St Kilda; they had combined, from 1851, in a Chamber of Commerce to advance their common

---

1

William Kelly, Life in Victoria, or Victoria in 1853 and Victoria in 1859 (London 1859), vol.1, pp.264-9., E. Carton Booth, Another England (London 1869), pp.69-70.

interest in improved harbour and postal facilities; they moved in the same social circles - the Mechanics' Institute, the St Kilda Volunteers and the Victorian Club; they worked as a fairly united body in advancing the candidatures of those of their fellows - Sargood, McCulloch, Services, Heales, Francis, Nicholson - who aspired to political honours.<sup>1</sup>

In 1860 they were still aspirants: the Melbourne Club and the Legislative Council still stood above them. By 1880, however, they had arrived: in the

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1

This paragraph is based upon the writer's unpublished research on the goldrush merchants. The main sources were the biographical dictionaries, notices of partnership and obituaries etc. which are substantially used in the present chapter. The Argus, 29 June, 1854, distinguished four main groups among merchants in Melbourne i) 'the old-established houses of Melbourne, both wholesale and retail, the members of which are very numerous and are possessed of immense wealth, arising from trade and the increased value of fixed property'. Among these may be classed James Graham whose affairs as a merchant and pastoral agent are admirably documented in the Letterfiles and other papers deposited in M.U. Archives.

ii) 'the representatives of the great shipping and commission houses in other countries'. James Balfour who was a representative of Matheson and Co., and James McCulloch who represented Dennistouns were examples of this class.

iii) 'those who, with a fair capital and good practical knowledge have commenced business, either as merchants or retailers.'

iv) 'speculators, outsiders, traders upon credit, the gamblers so to speak, the loose fish of the trading community.' These were said to have suffered most in the recession of that year.



city, at any rate, they were unequalled in wealth, power and reputation. While they lived they had reserves of esteem which made them socially unassailable; their sons and successors, however, had soon to face new challenges directed at the very foundations of their position - the market dominance, the internal social structure and the ethical standing of the merchant houses themselves.

The basis of the merchant's utility and status lay primarily in his ownership of, or access to, the large amounts of capital required to finance a trade conducted over long distances and uncertain time. The new threat to his position emerged, not of course from any decline in import trade (which actually expanded spectacularly during the 'eighties')<sup>1</sup> but was rather associated with notable changes in the requirements for, and conditions of, mercantile credit. The opening of the European Telegraph (1872) combined with the gradual introduction of steam communication reduced the time between the placing and receipt of

---

1

VALUE TOTAL VICTORIAN IMPORTS (£'s)

|      |            |      |            |
|------|------------|------|------------|
| 1880 | 14,556,894 | 1885 | 18,044,664 |
| 1881 | 16,718,521 | 1886 | 18,530,575 |
| 1882 | 18,748,081 | 1887 | 19,022,157 |
| 1883 | 17,743,846 | 1888 | 23,972,134 |
| 1884 | 19,201,633 | 1889 | 24,402,760 |
|      |            | 1890 | 22,954,615 |

orders,<sup>1</sup> so eliminating part of the uncertainty in trade and, with it, of the need for access to large capital. The Exhibition of 1880-1 - which coincided with a sharpening of competition between European manufacturers<sup>2</sup> - helped to create a market in the colony, and especially in its rapidly growing capital, for a range of exotic products which manufacturers were prepared to supply upon liberal credit.<sup>3</sup> As a consequence, there appeared, in the early 'eighties, a growing number of young, pertinacious German and French (and later

---

1

Speech of James Balfour to Chamber of Commerce Australasian Trade Review and Manufacturers' Journal (hereafter A.T.R.) 3 May 1886, p.281 and *ibid.*, 25 August, 1884. On the consequences of the telegraph see Geoffrey Blainey, The Tyranny of Distance (Melb. 1966), pp.222-7. In the early 'eighties Bright and Hitchcock, a Geelong softgoods house, were sending only heavy and plain lines by sail. (London Letterbook, 16 June 1882, 13 July 1883, p.188, in M.U. Archives.) Milburn's new line of cargo steamers had stimulated intense competition with other shipping companies which had hitherto operated as a 'ring'. (*ibid.*, 9 February, 20 April, 15 June 1883). By the 'nineties' sailing ships were regarded as good only for 'pig iron and rock salt' (see Robert Reid, London Memo Book, June 1897, p.173, in A.N.U., Archives).

2

S.B. Saul, Studies in British Overseas Trade, 1870-1914, (Liverpool 1960), chapter 2.

3

H.G. Turner, A History of the Colony of Victoria (London 1904) Vol. II, p.221. (Turner was himself a banker and observer of these developments).

English and Australian) agents who established sample rooms and took orders for their principals' goods directly from retail traders. In 1881 there were no 'manufacturers' agents' listed in the Melbourne Directory; in 1891 there were 123. They were, as Turner remarked, a notably cosmopolitan group. Carl Hesselman, a twenty-eight year old German with commercial experience in England, Belgium, Italy and Greece, established an agency for Levantine dried fruits; Carl Pinschhof, an Austrian exhibitor at the Exhibition, represented a number of Continental manufacturers; George H. Adams, an Irishman, commenced as a linen manufacturers' representative but later turned to a more general trade with branches in most mainland colonies; George Burk, who represented 70 French firms at the Exhibition, returned to Paris, joined the firm of Schoch and Bruggaman and reappeared in Melbourne as their local manager; in 1886 he established himself independently as agent for the great Creusot ironworks.<sup>1</sup>

The title of 'agent' might cover one of several relationships with the parent firm:

The most clearly defined is that of the salaried representative of one house, or a group of houses, who is placed in funds by his principals, and who sells on their account solely, sometimes taking local risks - but more often not. There is a tendency in this class to drift into the second; first perhaps

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1

These examples are taken from Alexander Sutherland (ed), Victoria and its Metropolis (Melb. 1888), vol II, ch. XXI, Division 3, which contains some short articles on Melbourne's 'Merchants, Auctioneers, Agents etc.'

because it is found next to impossible to do the necessary trade for one house, or because it is desirable to take orders over a wider field, and so accept risks at varying terms. This second class may be termed the commission agent, a percentage or discount being allowed for work done, the profits or risks being undertaken, either directly, or by means of a del credere or guarantee, by the local firm. The third class may be termed agents, who, having the exclusive right of sale of certain goods, make advances against same - in rare cases without such advances - but under a del credere commission arrangement, practically constitute themselves debtors of the principals; while finally there is what is known as the purchasing agency, which in effect means that certain goods are bought outright, so long as the sole distribution is vested in the agent or 'importer'.<sup>1</sup>

The drift from the first to the second class, from the salaried representative of a single company or group of companies to the independent, profit-taking agent was a common form of advancement in the commercial community. Jordan, Tillman's and Co., became independent of their parent in Paris; Alfred Fenton ceased simply to act as an outlet for the parent company's pottery.<sup>2</sup>

Such a system of importing threatened the merchants at several points. First, since agents usually traded upon manufacturers' capital, it removed the need for

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1

Journal of Commerce (hereafter J.C.), 1 January 1895, p.5. ('del credere' - a selling agent's guarantee that the buyer is solvent).

2

From Alexander Sutherland (ed), *op.cit.*, pp.561, 565.

merchants' capital. Second, by their willingness to indent small orders directly to retailers at low prices and on long credit, they supplanted the merchants as the shopkeepers' traditional suppliers and supporters. Third, by specializing in a limited range of branded products and securing orders on the basis of samples displayed in the local market, the agents questioned the necessity for the prestigious London posts maintained by the colonial merchants. Finally, by maintaining only a small office and sample room instead of a large warehouse, they reduced the previously-accepted level of overhead expenses.

The established merchants reacted sharply to the encroachments of this 'army' of agents; they imposed, then withdrew, a boycott against offending manufacturers and deployed their arguments in the letter columns of the public press. These rested upon appeals, not to economic rationality or public interest, but to custom and status: to the security implied in their wealth and illustrious names; to the 'understanding' that goods were to be offered only to wholesale merchants; to the 'recognition' that London was 'the mart of the world'; to the indecorousness of accepting 'starvation margins of profit'.<sup>1</sup>

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These issues and events are fully presented in the correspondence in the Argus, esp. the letters of 'Fairplay' (23 June 1885 p.7D), 'Fairtrade' (24 June 1885, p.6E), 'Public Interest' (25 June 1885 p.7B) and 'Agent' (4 July 1885 p.5D), and in the Argus's own excellent article on the controversy (24 June 1885 p.6E). For arguments against the agency system see also A.T.R., 16 December 1885, p.829.

But their appeals were in vain and by the early 'nineties it was possible to assess the enormous impact of the agency system upon trade:

One of the greatest changes which have taken place during the last decade is the growth of business done by agents rather than by merchants. In the old times, merchant houses utilized their own capital and acumen in the purchase of goods for re-sale, at, they hoped, a substantial profit, and intermittently received consignments of a motley description of merchandise, against which they sometimes made advances or received them simply for sale on account of shippers, in both cases charging a commission on sales made. As trade became distributed, and competition keener on both sides of the world, consignments became more numerous and regular and direct purchases fewer. Out of this was evolved the commission agent, the agent and lastly the manufacturers' agent. The old title of merchant and importer was, and is frequently still retained, largely we take it, as a matter of conceit, and largely by established colonial houses from a desire to be distinguished from the numerous army of direct representatives of shippers and manufacturers who have exploited the colonies since the exhibition era.<sup>1</sup>

The merchants appreciated that they must either swim with the tide or retreat to less turbulent waters. Older merchants, sometimes encouraged by younger and more energetic junior partners, negotiated agencies, usually with British manufacturers whose more restrictive credit facilities offered greater scope for the profitable employment of local capital. Bligh and

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J.C., 1 January 1895, p.5.

Harbottle, for example, became agents for Ind Coope; H.W. Farrar had retired from the firm which bore his name in 1878 but his son and later W.F. Langdon negotiated agreements with maizena, ale and hat manufacturers; James Service's young protégé Randal Alcock secured agencies for a variety of merchandise.<sup>1</sup> The 1888-9 Centennial Exhibition seems almost to have completed the revolution begun in 1880-1. Buchanan Balfour, who had been commissioned by his half-brother James Balfour, a Melbourne merchant, to negotiate agencies and exhibits, had to contend with intense competition from other Melbourne merchant houses, and concluded that 'the agency business on our side [London] is pretty well at an end .... The Houses here are sending out their staff to make sales but that also will come to an end when they get good agents resident.'<sup>2</sup> Balfour and Elliott became agents for several large insurance companies.

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The agencies of various firms were amply documented in the articles in Sutherland (ed), op.cit.; a firm's specialities are also sometimes included in their entry in the Melbourne Directory. On the variation in credit policies between English and Continental firms, see 'Report on United Kingdom Trade with Victoria' V.P.P., 27/1896, p.6.

2

Buchanan Balfour to James Balfour, 10 February 1888 (Balfour Papers). Despite his enthusiastic efforts to obtain agencies in explosives, castor oil, rope, pianos, boots and shoes etc., Buchanan met with little response from E.C. Elliott (James' manager and partner) who failed to follow up his early interest. (See Buchanan to James 19 October, 1887, 25 May 1888, 7 August 1888, 15 March 1889, 5 April 1889, 12 April 1889, 17 May 1889.)  
(footnote continued on p.10)

In order to combat the direct selling of agents to retailers, some of the older merchants set up their own retail and distributing branches. In doing so they followed the advice of one commercial journal which, in 1885, had warned that

the whole tendency and spirit of the times is to reduce as far as possible the number of those who interpose between the producer and the consumer ... We have no advice to give the importers which does not involve the necessity of taking a step nearer to the consumer.<sup>1</sup>

With the movement of population to Melbourne,

the large wholesale houses have awakened to the desirability of laying themselves out to do the large metropolitan trade, and have entered into the arena against the smaller concerns. Instead, therefore, of the town supplies passing from the distributing houses through the hands of second traders into those of retailers, the retailer is brought into closer contact with the more immediate sources of supply.<sup>2</sup>

(footnote 2 continued from p.9)

Some merchants anticipated the 1888-9 Exhibition with disquiet; there was 'a feeling that once more will the ordinary course of trade be interrupted and some damage done' and it was hoped 'that new competitors appearing on the scene will exercise more perspicuity and be provided with more capital than has hitherto been the case.' J.C., 15 December 1886.

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A.T.R., 11 April 1885, p.215.

2

Ibid., 29 June 1885, p.429. Also see J.C., 14 June 1887, on some of the adverse tendencies of this.



This tendency was especially evident in the hardware trade but probably extended into other lines, where its prevalence was masked by the practice of some merchants trading under 'mythical personages'.<sup>1</sup>

It was, perhaps, partly in response to new competition that many established merchants directed their funds into other fields of investment. The most usual course was that of the merchant who, possibly frustrated by a protective tariff or anticipating a profit from the processing of one of his raw imports, moved into manufacturing. As Robert Harper<sup>2</sup> observed, 'there was no reason why importers should not become manufacturers, and that was the way the thing was settling itself'. Harper himself, who had commenced as an importer of 'Eastern goods', expanded his establishment to package and process them and finally built a large flour mill. James Siddall, an importer of spices, became a manufacturer of culinary essences. George Stevenson and F.T. Sargood, softgoods merchants, established clothing factories. Alfred Shaw, a hardware importer, manufactured stamped tinware. Gavin Gibson, a boot and shoe importer, became the proprietor of one of the largest boot factories in the colony.<sup>3</sup> Something probably remained of the sentiment that a

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J.C., loc.cit.

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Argus, 24 April 1885, p.7A.

3

Alexander Sutherland (ed), op.cit., p.478, 563, 575-6.

businessman specialized in a particular commodity - timber, brass, wheat, wine, cloth - rather than a particular kind of operation - selling, buying, manufacturing; under these circumstances, the progression from merchant to manufacturer of a particular commodity could be regarded as a natural one.

A second area of interest was land. Merchants, who could now be seen as members of a social alliance with the squattocracy,<sup>1</sup> presumably invested in pastoral estates for prestige as well as gain. Matthew Lang, a wine merchant, owned 'Mt Poole' a property of 420,000 acres;<sup>2</sup> F.W. Prell owned 'Richmond Downs' in Queensland;<sup>3</sup> Robert Virgoe, whose merchant father (W.R. Virgoe) was a director of the Riverina Land and Irrigation Company, had a station, 'Mathoura', near Deniliquin;<sup>4</sup> James Balfour's two sons managed his property 'Round Hill' near Culcairn also in the

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See R.J. Moore, 'Marvellous Melbourne: A Social History of Melbourne in the 'eighties'', M.A. Thesis, University of Melbourne 1958, Chapter I, Part 1, 'The Alliance of Squatters, Merchants and Bankers'.

2

Sutherland (ed), op.cit., p.567, and obituary J.C., 14 March 1893, p.12.

3

J.C., 30 July 1895, p.14.

4

Ibid., 31 January 1893, p.9, V.P.P. C6/1896, p.40, G.L. Buxton, The Riverina 1861-1891 An Australian Regional Study (Melb. 1967), pp.246, 276-7.

Riverina.<sup>1</sup> On the other hand, it cannot be shown that merchants, above other groups, were prominent in the urban land speculation of the 'eighties. Some certainly made important transactions in the central city<sup>2</sup>, but in the suburbs - if land company share lists are any guide - they seem, with a few exceptions<sup>3</sup>, to have left the field clear for accountants, auctioneers, professional men, shopkeepers and other smaller fry.

Merchants were prominently identified with both the marketing and processing of sugar within the colony, and with the finance of plantations in Queensland and Fiji. Griedig and Murray - whose principal, George Crespin, was regarded as the 'King of the Sugar Market'

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1

See A.D.B., Vol.III, 1851-1890 A-C, pp.80-2. The full circumstances of his (unwilling) acquisition of this property are documented in the correspondence c. 1877-8 between Balfour and the Henty family in the Balfour Papers. The papers also contain a large collection of letters from Balfour's two sons and his manager to Balfour himself from the 1880's through to Balfour's death in 1913.

2

F.W. Prell, Hammill and Forester, (J.C., 28 June 1887, p.3) Swallow and Derham (eg. Derham to Swallow 3, 17 October 1887 in Swallow and Ariell Papers M.U. Archives).

3

Eg. Frank Stuart held 750 shares in the Brunswick and Coburg Property Investment Company (Defunct Companies Records, State Archives of Victoria, bag no. 1197); Sali Cleve 4000 shares in the South Melbourne Land Co., (no. 883); John Blyth 2000 shares in the Altona Bay Land Co., (no.1468), William McLean 100 shares in the Kew Land Co., (no. 1358), Albert Wiseman 500 shares in the East Suburban Property Investment Co., (no. 1194).

- was the most important distributing house.<sup>1</sup> The main local refinery - that of the Victorian Sugar Company at Yarraville - was backed by some £220,000 of capital, largely subscribed by merchants, and the New Australian Sugar Refining Company included James Service, William Graham and Francis Peyton among its principal shareholders.<sup>2</sup> Swallow and Derham, merchants and biscuit manufacturers, had a treacle factory at Port Melbourne and a sugar plantation in Queensland.<sup>3</sup> James Balfour, himself a large shareholder in the Weary Bay Sugar Company,<sup>4</sup> claimed that:

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1

T.W.H. Leavitt, Australian Representative Men (Melb. 1888), XXXIII. Crespin was an interesting example of the pushing self-made man whose rise was assisted by strict adherence to evangelical values (and friends). He had little education but gradually rose to be manager of the respected mercantile house of Fanning, Nankivell and Co. He was superintendent of the St Phillip's (Collingwood) Sunday School, a member of the Board of the Homeopathic Hospital and chairman of Benjamin Fink's ill-fated Mercantile Finance and Guarantee Company.

2

Defunct Companies (no. 2329), Argus 17 June 1887 p.10B.

3

See Swallow and Derham Letterbooks c 1885-8 which contain the correspondence between Derham (Melbourne Manager) and his father-in-law and partner Swallow who managed the plantation. For Derham's biography see J. Smith (ed), Cyclopedia of Victoria (Melb. 1905), vol.III, p.107.

4

Defunct Companies (no.1015). The main shareholders (1886) were Balfour (20 shares), M.H. Davies (20), John Mark Davies (20), J.B. Davies (20), Robert Harper (20), John Moodie (20), James Campbell (20). There is tenuous evidence that the company was also interested in the supply of Malay and Javanese labour to Queensland Sugar plantations (see document under Balfour and Elliott's address - 5 Queen Street - dated .... 1886 and under the heading 're labour for Sugar Estates' (Balfour Papers).

those who had invested their money in this industry in Queensland and Fiji included many of the wisest and most experienced merchants in Victoria (Hear, hear) Nay, more. There was scarcely a firm in Melbourne which had not in some way or other an interest in these plantations.<sup>1</sup>

Under the leadership of Derham and Crespin, these merchants constituted a powerful pressure-group for the protection of local refineries against foreign white sugars exported on bounties, and for the preferential entry of Queensland and Fijian sugars under 'reciprocity treaties'.<sup>2</sup>

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From a speech introducing a deputation on behalf of the sugar interests A.T.R. 28 June 1887 p.393. Other merchants in the deputation included John and G. Whittingham of Whittingham Bros., M. Mitchell, John Alfred of White, Alfred and Co., H. Hammill, E.C. Elliott of Balfour, Elliot and Co., E. Fanning, of Fanning, Nankivell and Co., (Gambech Plantation), William Siddeley. (ibid.) Others known to have had interests in plantations include James Bligh ex-Bligh, Harbottle and Co. (Derham to Swallow 24 December 1886 p.198B), Hon. W. Wilson of Wilson, Crosbie and Co., who had interests in Fiji and in the Victorian Sugar Co., (ibid., 13 December 1886 p.193), and Robert Ramsay whose interests in Fiji contributed to his downfall (J.C., 18 December 1894) as they did to the similar fate of W.K. Thompson (ibid., 28 December 1888).

2

The organization of this pressure group and the chequered history of its efforts to obtain reciprocity treaties is most fully documented in the letters of F.T. Derham, then Postmaster-General in the Gillies-Deakin administration, to his partner who was encouraging the Queensland government to 'reciprocate'. (See Derham to Swallow esp. June 1886 - December 1887).

Melbourne had long been a centre for the re-export of commodities to other colonies. Goods were commonly consigned to Melbourne, unpacked, repacked and distributed especially to the Riverina, Tasmania, South Australia and New Zealand. One consequence of the 'agency system', however, was to increase direct indenting at the expense of re-export; Melbourne's re-export trade actually fell during the 'eighties.<sup>1</sup> Presumably as a result of the mineral developments at Broken Hill, South Australia came under the trading influence of Sydney,<sup>2</sup> while New Zealand also moved out of Melbourne's orbit. For reasons that are not entirely clear, Queensland became

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Re-exports of 'Foreign' Goods from Victoria. (£)

| To:    | 1880      | 1885      | 1890      |
|--------|-----------|-----------|-----------|
| N.S.W. | 1,083,389 | 1,418,107 | 982,024   |
| N.Z.   | 424,903   | 290,408   | 219,689   |
| QLD.   | 8,269     | 10,916    | 205,153   |
| S.A.   | 306,597   | 233,688   | 240,804   |
| TAS.   | 363,523   | 413,030   | 373,903   |
| W.A.   | 41,479    | 48,916    | 49,545    |
| FIJI   | 19,899    | 10,779    | 6,689     |
| TOT.   | 2,248,059 | 2,425,844 | 2,077,807 |

(from Victorian Statistical Registers 1880, 1885, 1890. 'Interchange').

2

|               | <u>South Australia - Imports (£)</u> 1885 | 1890      |
|---------------|---|-----------|
| from VICTORIA | 1,007,031                                 | 871,066   |
| from N.S.W.   | 575,160                                   | 3,629,616 |

(from South Australian Statistical Registers 1885, 1890. 'Interchange'; also see J.C. 6 November 1894 p.5).

a much more important customer for Victorian re-exports. The only commodities in which the re-export trade appears to have increased notably were food products, especially tea.<sup>1</sup> Melbourne, in fact, had become a tea centre second only to London; half the Australasian China trade was fed through it and Calcutta and Foochow buyers regularly visited the city in the off-season.<sup>2</sup> But in this market, too, the constraints of the 'agency system' were felt: distributors and large grocers increasingly ordered directly upon Indian and Chinese buyers, and the latter exerted a most disruptive influence upon the market through unsolicited consignments which occasionally pressed the 'old-time merchant' into cut-throat, unrenumerative competition.<sup>3</sup>

These several developments of course increased the numbers of individual firms and employees in Melbourne commerce; 'merchants' increased from 1079

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1880 £258, 079; 1885 £370, 812; 1890 £367,865.

2

J.C., 26 July 1888, Argus 9 July 1892 p.5A. On the growth of the Calcutta connection see Sir Percival Griffiths, The History of the India Tea Industry (London 1967), pp.119, 122, 127 and on one example of the Foochow connection see Sheila Marriner and Francis E. Hyde, The Senior: John Samuel Swire 1825-98 Management in Far Eastern Shipping Trades (Liverpool 1967), pp.50-56. The main Melbourne re-exporters were the Oriental Tea Company, Robert Harper and Co., Atcherly and Dawson, J.M. Coote and Co., Lange Thonemann. (J.C., 22 July 1890).

3

Ibid., 26 July 1888, 19 October 1888 p.5, 28 December 1888, p.5.

in 1881 to 1973 in 1891; 'commission agents and factors' from 528 to 998, commercial clerks from 3164 to 7330, travellers and salesmen from 759 to 1699.<sup>1</sup> Even more impressive than its size, however, was the diversity of the city's trading community. Such a larger and more disparate market in turn created a need for more formal methods of communication between merchants, agents, bankers, suppliers, distributors and clients. Personal conversation on the 4.40 to St Kilda, in the Victorian Club or outside the Chamber of Commerce no longer answered the merchant's need for complete, accurate and recent trade information. These requirements were largely supplied by the new Commercial Exchange which was opened in 1880. Situated 'within speaking distance of every merchant's office' in Collins Street west, it 'furnished a long-felt want in commercial circles': 'a medium which will cement closer the entente cordiale existing between our merchants, and put them au courant with the affairs of the world.'<sup>2</sup> The exchange provided trade information for each of the colonies, shipping dates and manifests, railway times and goods lists, stock traffic, law cases, prices current and a variety of services from letter copying to meals and haircuts. There was a full supply of

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1

Victorian Census, 1881, 1891, 'Occupations'.

2

H. Mortimer Franklyn, A Glance at Australia in 1880 (Melb. 1881) pp.271-2.



colonial and overseas newspapers and trade journals, as well as a telegraph office, Reuter's agency and telephone exchange. The offices of the Chamber of Commerce were situated within the same building. Outside the Exchange, communication between merchants was also served by several local trade journals: The Journal of Commerce, (fortnightly), The Australasian Trade Review (monthly), Coombs' Circular (monthly) and, later in the decade, more specialized journals such as the Australasian Grocers' Journal and the Australasian Ironmonger. Confidential information on creditors was now obtainable through such facilities as the 'General Mercantile Agency and Private Enquiry Office.'<sup>1</sup>

A similar preoccupation with communication - both within the Melbourne market and with other markets - became evident in the activities of the merchants' main forum - the Chamber of Commerce.<sup>2</sup> No longer did that body comprise a membership uniform in its occupations and attitudes: it now included 'Free-traders and Protectionists, Importers and Manufacturers'.<sup>3</sup>

<sup>1</sup>

See General Mercantile Agency and Private Enquiry Office (Ferguson 98726) for account of some of its services. It is significant that when, in 1887, one of these agents was prosecuted for libel, the mercantile community strongly defended him. (J.C., 31 May 1887 p.5).

<sup>2</sup>

For a useful digest of the Chamber's activities in its first fifty years see B. Cowderoy, Melbourne's Commercial Jubilee - Notes from the Records of Fifty Years' work of the Melbourne Chamber of Commerce (Melb. 1901).

<sup>3</sup>

John Benn (President) in Minutes of the Chamber of Commerce, 29 April 1879 [in S.L.V. Manuscript Collection].

Its spokesmen still stated the Chamber's limited objectives in the language of a Cobdenism which, however, it could not unitedly espouse:

The Chamber is not in any sense a political association. As individuals, we have no doubt our leanings and political sympathies; as a Chamber, we exist merely to further commercial interchange, to remove as far as we can all disabilities and hindrances to commerce under which this colony may suffer.<sup>1</sup>

Like its eminent member James Service, who became Premier in 1880, the Chamber practically accepted Protection as 'the settled policy of the country' and busied itself instead with the removal of other 'disabilities and hindrances'. It pressed for better port facilities, for a new Falls Bridge, for telephone communication between the Exchange and the railway goods sheds, for more adequate wharf storage. It urged the merchants' interest in stronger representation upon the Harbour Trust and the Marine Board.<sup>2</sup> The Chamber also fought a tenacious, and finally successful, battle for the improvement of telephone facilities in the city. In 1886 a private

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1

F.S. Grimwade (President) in *ibid.*, 13 April 1883, p.410. For an endorsement of this limited role see ATR, 30 June 1884, p.380.

2

*Ibid.*, port facilities 21 January 1884 p.389; Falls Bridge 12 July 1882 p.285; telephone 29 May, 12 June 1882 p.275; storage especially for timber 29 May 1882 p.276; Harbour Trust 12 December 1881 p.219; Marine Board 19 April 1886 p.525.

exchange which had given merchants little satisfaction, was taken over by the government; an almost immediate reduction in charges and increase in subscribers confirmed the wisdom of the change. By the early 'nineties the Chamber of Commerce was pressing for the extension of telephone services to the other colonies.<sup>1</sup>

As personal communication became less important to the conduct of business, so did merchants resort to more formal means of mediating or arbitrating between the members of what was still described as the 'mercantile community'. As we shall see,<sup>2</sup> merchants distrusted the lawyer's ability to deal competently, cheaply and expeditiously with trade disputes, and were therefore inclined rather to accept the personal mediation or arbitration of a fellow-merchant. Such reasonable solutions, however, were possible only while merchants maintained close relations of personal regard and trust and were themselves prepared to undertake such occasionally onerous duties. The Chamber of Commerce's renewed interest in the European Tribunals of Commerce and other formalized methods of arbitration may be seen as a response to the

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1

Ibid., 28 October 1885 p.507, 23 November 1885 p.509, 21 February 1886 p.517; 19 April 1886 pp.529-30, 6 November 1886 p.22, 17 January 1887 p.31, 23 April 1888 p.106, 11 May 1893 p.464. Argus, 19 January 1887 p.9A-B

2

See below Chapter 4 and *ibid.*, 12 August 1891 p.351-2 and ATR, 25 September 1882 p.518.

obsolescence of those conditions; the provision of alternatives, however also owed something to the influence of Continental agents and exhibitors.<sup>1</sup> Several variants of this proposal - including a County Court dealing exclusively with commercial disputes - were canvassed during the 'eighties but none came to fruition. A second attempt to facilitate settlement of commercial disputes was Dr W.E. Hearn's proposed Code of Commercial Laws which was also taken up with enthusiasm by the Chamber. Despite Hearn's erudition and the Chamber's pressure, however, the Code foundered in the Legislative Council.<sup>2</sup>

The third area in which the Chamber attempted to exercise a mediating influence was on tariff policy. Although its members no longer spoke with a single voice on the Victorian tariff, they did share a common interest in lowering tariffs in other colonies. We have seen that some were interested in manufacturing, some in sugar plantations, others in the re-export

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1

B. Cowderoy op.cit., pp.79-80. (The idea of Tribunals of Commerce had also been investigated in South Australia by a Royal Commission whose recommendations were widely influential) and the Chamber of Commerce Minutes, 15 May 1882 p.272.

2

B. Cowderoy, op.cit., pp.85-90, 'Codification of Laws', Votes and Proceedings of the Legislative Council, D1/1887 and 'General Code Bill' ibid., D2/1888. Sargood and Balfour seem to have been influential in securing support for the proposal (1887) and they, together with Service, were loath to reject it (1888).

trade. In each case it became evident that their individual interests, the economic pre-eminence of Melbourne and (so the after-dinner speeches ran) the cause of Australian federation would be well served by the simultaneous maintenance of a high Protectionist tariff against the rest of the world and some reciprocal relaxation of tariffs between the colonies.<sup>1</sup> The Chamber flirted with the cause of intercolonial freetrade throughout the 'eighties but its most earnest advocates were elsewhere, especially in the Chamber of Manufactures.<sup>2</sup>

Radical change in the market situation of importers could not but produce important changes in the internal structure of firms. The old-style Flinders Lane merchant establishment was a plain brick or stone warehouse.<sup>3</sup> Inside its main door, on either

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For the more calculating arguments for intercolonial freetrade see especially the Derham - Swallow correspondence cited above; for the patriotic arguments see especially Emanuel Steinfeld's argument that Zollverein was the natural basis for Federation A.T.R., 20 October 1887, p.673. The entire question is ripe for detailed enquiry.

2

See below Chapter 2.

3

John Foley, John Railton and Daniel Roessler, 'Nineteenth Century Melbourne Warehouses', B. Arch. Thesis, University of Melbourne, 1959; B.C. Fam, P.C. Kain and Yt Sng, 'Warehouses in Flinders Lane and Robb Street', B. Arch. Thesis, University of Melbourne, (n.d.) (both in Architecture Library University of Melbourne).

side of a narrow passage, were the partners' private room and the counting house; at the rear and above were the stores where consignments were uncrated, repacked and despatched. The clerks of the counting house copied the entries from documents of receipt or payment to journal to ledger under the supervision of one of the partners or a senior clerk. The division of labour was probably quite informal, permitting some interchange between tasks. It was an assumption that a clerk remained with the same firm for most of his working life, gradually making himself indispensable, rising by degrees in his master's esteem, finally, perhaps, attaining to a partnership.<sup>1</sup>

With the advent of the agency system this order of things was necessarily modified. Since most of their work consisted in indenting goods which were consigned directly to retailers, agencies had no use for large warehouses and, instead, rented only an office and sample room.<sup>2</sup> Both the force of their example and the spiralling cost of land in the central business district pressed merchants to seek

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Here and elsewhere in this chapter the reader may recognise my indebtedness to David Lockwood's The Blackcoated Worker (London 1958); one has particularly to agree with his observation (p.19) that 'the evidence bearing upon the condition of clerical labour between the eighteen-fifties and eighteen-eighties is meagre'.

2

'Trade with the United Kingdom', V.P.P., 27/1896, p.8.

similar comfortable, office-style accomodation and remove their warehouses outside the central city. In 1887, the Journal of Commerce noted that

the sites devoted to mercantile business are usually cut up into smaller blocks, offices are occupied either on the ground floor or skywards, and stores are relegated to less crowded, and therefore less costly neighbourhoods.<sup>1</sup>

James Balfour, for example, erected a new building in Queen Street which incorporated a sample room and office with telephone and speaking tubes for his own use, together with a large number of suites which were let to tenants.<sup>2</sup> F.W. Prell, whose example he had followed, was said to have introduced entirely new standards of comfort and utility in merchants' accomodation.<sup>3</sup> Queen Street was now dubbed 'The Lombard-Street of Australia'.<sup>4</sup> On the other hand, those, like tea merchants, for whom the connection of office and warehouse was essential, moved their premises further to the western corner of the city-mile. By the end of the decade it was evident that

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1

3 May 1887 p.2.

2

Ibid., 24 January 1890 p.8. Robert Harper removed his main stores and factory to Port Melbourne (ibid., 17 November 1887 p.5).

3

Ibid., 11 October 1892 p.10.

4

Ibid., 12 July 1889.

the Mincing-lane of Melbourne is now unquestionably William-Street and its off-shoots, more particularly St. James Buildings. Here are, or shortly will be, nearly all the wholesale houses dealing in groceries etc.<sup>1</sup>

The 'eighties also brought notable changes in business methods and equipment. Shorthand writers, once merely party performers, were engaged as full-time employees in merchants' offices.<sup>2</sup> In 1885 Sidney Stott, the leading shorthand instructor, established an agency for Remington typewriters.<sup>3</sup> Three years later he had sold nearly 300 and in the same year five other makes were exhibited at the Centennial Exhibition.<sup>4</sup> Throughout the 'eighties typewriting

1

Ibid., 28 June 1889, p.7, 2 November 1888, p.8. Among the houses making the move were James Henty and Co., Connell, Hogarth and Co., Virgoe, Son and Chapman, Curcier and Adet, H.W. Farrar and Co., Jules Renard and Co. The trend seems to have continued during the depression when Bligh and Harbottle removed. (Ibid., 5 December 1893, p.12).

2

Australasian Shorthand Journal, September 1890, pp.72-3. It was alleged (Ibid., June 1890, p.19) that shorthand was more advanced in Sydney; typewriting in Melbourne.

3

The Way to Success, (Stott's Business College, Melb., n.d.) p.4. There is a useful, though fragmentary, collection of pamphlet and other materials at Stott's Business College; most, however, dates from 1900 onwards. Remington exhibited a typewriter at the 1880-1 Exhibition but it does not seem to have aroused much interest. (Official Record, p.674.)

4

J.C., 21 September 1888, p. and Argus, (Exhibition Supplement), 16 October 1888, p.55. The main brands were the 'Caligraph' (one keyboard, no shift-key), The Hammond (which operated on the principle of a wheel with letters on the circumference), the 'Hall' (operated by a handle) and the 'Yost' (see Australasian Ironmonger, 1 March 1892, p.95).



remained an almost exclusively male occupation, although women were also being trained to use the machines. A group of ladies, excluded from regular employment, established a 'Melbourne Typewriting Association' which undertook copying work at piece rates; by 1890 there were said to be 20 such establishments in the city.<sup>1</sup> There were some half-dozen typing and shorthand schools by 1893 and 'phonography' and typewriting were taught in several private schools. A school-master in 1889 claimed - perhaps prematurely - that the typewriter had 'almost revolutionized office work'.<sup>2</sup> Nor were these the only changes: index systems, copying devices and a gradual change in book-keeping methods were all tending to rationalize the informal methods of the counting house.<sup>3</sup>

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1

J.C., 5 October 1888, p.6, Argus, 27 October 1888, p.25H, Australasian Shorthand Journal, May 1890, p.3. There were estimated to be about two women employed, in each establishment, thus 40 in the city. (Victorian Census, 'Occupations' 1891 (p.102) showed 86 female typewriters in the city.)

2

Australian Stenographer, November 1893, (advertisements), Australasian Shorthand Journal, June 1890 p.19. W.H. Goff of All Saints Grammar School St Kilda Argus, 18 December 1889, p.10C.

3

Australasian Ironmonger, July 1894, p.189, Australasian Shorthand Journal, June 1890, (end paper). On the changes in book-keeping methods see D.J. Davis, 'Seventy-five years of Commercial Education in Victoria 1850-1925' (M.Ed. Thesis University of Melbourne, 1966), pp.157-66.

Not only the procedures, but the internal social structure of the merchant houses was modified. The enormous growth in the numbers of persons employed as commercial clerks - an increase quite disproportionate to that of the total population of the city - appears to have been unevenly shared between the new agents and brokers, who were said to have employed very few, and the larger merchant houses which often greatly expanded their staffs. Most of the new recruits were young men beginning a career. Of 7330 commercial clerks in the city in 1891, 4789 (about 65 per cent) were under the age of 25.<sup>1</sup> Such crowding of the lower ranks may well have further strained the informality of the old-style counting house and might explain the introduction, in some offices, of written directions for the 'Duties of Clerical Staff' and 'Office Rules'.<sup>2</sup> The contrast between the new and the old styles of staff management is nicely illustrated by a correspondence upon the occasion of the resignation of Richard Ruegg, a clerk in Balfour, Elliott and Co. E.C. Elliott,

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1

Victorian Census, 1891, 'Occupations'.

2

No direct evidence is available for mercantile offices but see 'Duties of Clerical Staff of Hoffman Brick Co.,' in Hoffman Brick Company - Minutes of Directors 30 April 1885, pp.64-66 [M.U. Archives] and 'Swallow and Ariell - Office Rules' in 'Green Book' p.1 (c1888) in Swallow and Ariell Papers. The rules specify hours of attendance, procedures for signing on, conditions of absence. Officers were also required to sign a statement undertaking to observe secrecy in relation to the firm's affairs.

the new manager and junior partner, wrote to Ruegg:

Dear Sir,

Having no word from you today we sent up our Inspector this forenoon that he might ascertain how you were progressing because as you are well aware your absence at this time is most inconvenient. On his return he reported that he could not obtain admission to the house and on making enquiry at the next door neighbour in no. 37 she stated that she had heard some ladies talking on the rear verandah of Mrs Thornton's house only a few minutes before he made enquiry. He therefore made another attempt to get admission but was unsuccessful and on his [removing?] one of the lathes of the venetian blind of the front room, the lower sash of the window of which was drawn up, he could not see that the room was occupied. Under the circumstances we will be glad if you will forward us a doctor's certificate early tomorrow in which we will be glad to have it stated when you will be likely to be able to return to duty ...

Such a procedure obviously left no room for personal honour or the conventions of gentlemanly conduct; Ruegg could only appeal over Elliott to the senior partner (Balfour) for a reassertion of his personal patronage:

Dear Sir,

You will no doubt have heard before this, that I have resigned my position in your office. But, Sir, as it was yourself who placed me there, I feel that I owe you an explanation of my doing as I have done. I have been suffering from a severe attack of neuralgia .... I was thus compelled to remain at home and asked my landlord to call daily at the office and leave word of my condition; he evidently omitted to do so and in consequence

thereof a letter from Mr Elliott ... which very much surprised me and which I would not have believed [sic] could come from your office you will see, Sir, that as they evidently thought me capable of a very dishonest and disgraceful action, I had only one course to pursue ...<sup>1</sup>

Whatever material compensations there may have been for such loss of dignity were unevenly distributed. The general expansion of activity no doubt produced a degree of structural mobility (yearly increments of 5s to 10s a week were common for clerks in the lower ranges during the late 'eighties), but promotion beyond the middle range of salaries (£150-200 p.a.) - also about the limits for a skilled artisan - was necessarily restricted.<sup>2</sup> During the mid-'eighties it was a commonplace for the pay and conditions of clerks to be invidiously compared with those of manual workers.<sup>3</sup>

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1

Elliott to Ruegg, 12 November 1889 (copy), Ruegg to Balfour, 25 November 1889, in Balfour Papers. The result of the correspondence is unknown. For a similar case see Charles Miller to Balfour, 6, 7 January 1887.

2

For clerical salaries generally see below, chapter 8., and compare with similar conditions operating in civil service discussed below chapter 5. On the excess demand for clerks in lower ranges see J.C., 10 January 1890, p.5. Argus, 27 August 1887, p.11. Ibid., 27 August 1886, p.74.

3

E.g., Melbourne Punch, 24 August 1882, p.71.

Such a sense of relative deprivation seems to have underlaid the formation, in June 1883, of an Accountants' and Clerks' Association. J.W. Hunt, one of its vice-presidents, believed

it would be well if accountants and clerks of all kinds were united together; not perhaps for the purpose of aggression, but for strength, and for the formation of a feeling of brotherhood and esprit de corps. Strikes as a matter of course, could not be countenanced by such an association as theirs, but if there were any firms which paid wages that were not a proper amount, or systematically employed their clerks at night when they ought to be at home, an association like theirs might bring such moral suasion to bear on the firms as could be of good effect.<sup>1</sup>

Hunt was himself an employer - the manager of the Modern Permanent Building Society<sup>2</sup> - and his statement, even by the standards of a moderate Melbourne Trades Hall, was exceedingly temperate. Yet it was as radical a statement of aims as the Accountants' and Clerks' Association ventured at any time in our period; never again, it would appear, did the Association promise any kind of united bargaining or mention, even to exclude, the possibility of strikes.

For the first two years of its existence the Association prospered. In 1885, the year of Hunt's

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1

Argus, 21 May 1885, p.9E.

2

Australasian Building Societies' and Mortgage Companies' Gazette (A.B.S.G), vol. III, 1888-9, p.458.

statement, it had 600 members on its books, 450 of whom were said to be bona fide.<sup>1</sup> A year later, however, its members had fallen to 417 and by 1887 there were only 279 on its books.<sup>2</sup> The reluctance of the clerks to unite at a time of general progress in trades unionism seemed to call for special explanation. The Journal of Commerce noted a similar disinclination among 'employers and capitalists' and supposed that 'unionism had been so much disgraced that any semblance of it is looked upon as not worthy the encouragement of gentlemen.'<sup>3</sup> The President of the Association (Andrew Lyall), on the other hand,

could only account for the position of affairs by the supposition that most of the clerks were too well off and did not for the moment see the advantages which they might at some future time be able to obtain by being connected with such an association.<sup>4</sup>

The assumption of a community of taste and interest between gentlemen-employers and gentlemen-clerks was encouraged by the Association's merchant

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1

Argus, 27 August 1885, p.5F; about 560 in 1884 (Australasian, 21 June 1884, p.844).

2

Argus, 27 August 1886, p.7A, 27 August 1887, p.11. In the latter year it was decided to lower the subscription for those under 20 from £1 to 10/- p.a.

3

6 September 1886, p.5. (emphasis mine).

4

Argus, loc.cit.

patrons<sup>1</sup> who sponsored lectures and discussions designed to help junior clerks 'improve their professional qualifications<sup>2</sup>' and who seem to have been concerned, at bottom, to reproduce those relations of mutual regard and honour which had supported the ideal, old-style merchant house. Accordingly, its most active members appear to have been older clerks,<sup>3</sup> to whom such relations were most congenial.

Whatever objects its patrons may have had, however, the main function of the Association was to secure employment for its members; its other activities - educational, social, mutual-benefit - were secondary. At the height of the boom when employment was plentiful and promotion fairly rapid, clerks had little use for the Association and membership declined. When the land boom expired, however, many young clerks who had thrown up secure jobs in search of faster promotion were as readily abandoned by their new employers.<sup>4</sup>

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1

Employers actually contributed a large proportion of the Association's funds and occupied most of the higher offices; these were generally the older merchants: Sargood, Balfour, Service, Zox.

2

Argus, 16 April 1885, p.5B.

3

The subscription for clerks under 20 years was lowered in 1887 in an endeavour to attract more junior clerks. *Ibid.*, 27 August 1887, p.11.

4

A.B.S.G., 13 February 1889. p.698.

There was then 'a large accession' of members to the Association.<sup>1</sup> Most, however, adopted a strictly instrumental attitude to membership. In 1889 and again in 1890 the President referred to the high turnover of members, the reason for which, he explained, was

not far to seek, as many of those who had joined, when their turn was served and having secured an appointment, committed the contemptible meanness of abandoning the society which helped them; others again secure of the positions which they held, left the society, not seeing what particular benefit could accrue to themselves, and wrapped themselves in their own selfishness, insensible to the needs of their fellow clerks and devoid of that prudence and wisdom which should mark businessmen, whose aim should be to cultivate for their own interest and advancement as large an acquaintance as possible in the line of life they followed.<sup>2</sup>

Wisdom, prudence and personal acquaintanceship, however, were old currency; the Association itself recognized this in practice for, in 1890, it established a system of examination and classification of clerks upon strictly technical criteria.<sup>3</sup>

Both within the Association and outside there was a continued preoccupation among clerks with their prospects of advancement which is perhaps best understood

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1 Ibid., 11 September 1889, p.243.

2 Ibid., 3 July 1890, p.110.

3 Ibid.



in relation to the high expectations aroused by rapid early promotion, the presence among them of a number of young men with private means who set high and most desirable standards of consumption,<sup>1</sup> and the attention paid to a number of young ex-clerks whose spectacular careers as financial or manufacturers' agents established new patterns of mobility - and morality.

Staid, old-fashioned mercantile men saw their clerks and assistants leaving them, with the reputation of having made more in a month than their employers hoped to do in a year, to go on the Stock Exchange, or to start as financial agents.<sup>2</sup>

Yet yearnings for advancement were in no way inconsistent with a sense of frustration and diminished status. Within established houses there was said to be a tendency to 'swamp the honest, experienced clerk under an avalanche of incapables who are pushed forward by the influence of long

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1

See remarks about 'subsidized gentleman's sons' in J.C., 10 January 1890, p.9. Comments on the 'flash' dressing of clerks were commonplace: 'Who would think that the young swell in fashionably-cut clothes - though it requires but half a glance to see they are slop made - is only a clerk with the magnificent wage of twenty-five shillings per week?' (John Freeman, Lights and Shadows of Melbourne Life, London 1888, p.79).

2

H.G. Turner to Chamber of Commerce quoted J.C., 17 May 1889, p.8.

purses to the prejudice of merit'<sup>1</sup> and although there were some well-advertised examples of promotion by merit (Randal Alcock, who succeeded as a partner of James Service and Co., shortly after the principal became Premier was the model<sup>2</sup>) it was evidently the norm for father to be succeeded by son. Of 48 new partnerships whose distribution is known, 25 were awarded to sons or close relatives of the original partners, 13 to loyal servants of the firm and only about 10 to 'outsiders'.<sup>3</sup> F.T. Derham spoke for many merchants when he confessed to his father-in-law and partner Thomas Swallow: 'I do not feel very much inclined for fresh partnerships. As long as our boys can be made all snug that is all I care about.'<sup>4</sup>

It has been evident in the preceding paragraphs that transformations in the merchant's market and in

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1

Ibid., 10 January 1890, p.5.

2

'His career is an illustration of the rewards of courage, painstaking work, integrity and intelligence, and affords an example for our young Australians to emulate' (J.C., 7 May 1895). Alcock, born in Collingwood in 1853, left school at 13 and joined James Service and Co. He became a partner in 1886 (J. Smith (ed), Cyclopedia of Victoria (Melb. 1905), Vol. I, p.497.)

3

This material on partnerships was gathered from notices in the commercial journals, Sutherland etc. There is no systematic registration of partnerships; dissolutions, however, were recorded in the Government Gazette.

4

Derham to Swallow, 2 August 1886, p.124.

the internal structure of his business were not achieved without considerable discussion of the qualities - educational, financial, and moral - appropriate to the merchant's role. This discussion was nowhere more explicit than in the controversy, which sprang up towards the end of the 'eighties, about the nature of 'commercial education'. Like many questions about education, it concerned, at bottom, matters of power and the succession to power. To their colleagues and to themselves it was becoming evident that the men of the 'fifties,

these rugged corner-stones of commerce, will not last forever, and although they have, metaphorically speaking, served to set firmly the foundations for the super structure which is to follow, they are now dropping out of the ranks.

Now the question was: 'Who will fill their places?'<sup>1</sup>

Many of the gold rush merchants had been fairly educated in a traditional curriculum; most, however,

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1

H.C. Grondona (Melbourne) in Australasian Commercial Congress, Report of Proceedings ... (Melb. 1889), p.lx. Among the gold rush merchants who died in the late 'eighties and the early 'nineties were Phipps Turnbull (1890), George Anthoness (1892), John McCallum (1892), Isaac Younghusband (1892), Robert Caldwell (1887), W.T. Moffat of Robertson and Moffat (1892), Hon. Alexander Fraser (1888), Robert Ramsay (1894), Richard Goldsborough (1886), John Currie (1889), Sir James Lorimer (1889), John Lorimer (1888), Samuel Renwick of McEwans (1888), John Benn of Grice, Sumner and Co., (1895), Matthew Lang M.L.C., (1897), F.C. Lange of Lange Thonemann (1888). (from obituaries.)

had learned their business by experience and owed their success to 'enterprise and self-reliance' amidst the difficulties and temptations of the gold rush era. To their employees they had emphasized those virtues of diligence, honesty and moderation which, they implied, were the ingredients for commercial - and perhaps political-success. When F.T. Sargood became Minister for Defence in 1883 Melbourne Punch ignored the facts of his privileged apprenticeship to point a more conventional moral:

When I was a lad I served a term  
 As office-boy to a softgoods firm,  
 I cleaned the windows and I swept the floor  
 And I polished up the handle of the big front door  
 I polished up the handle so care-fuI-lee  
 That now I am the ruler of the Queen's Armee.<sup>1</sup>

Or, in the words which Robert Reid regarded as the heart of the merchant's textbook: 'Seest thou a man diligent in business he shall stand before Kings'.<sup>2</sup>

Now, however, the rise of the agency system and the speculative enterprise of the land boom posed new threats to the sufficiency of a system based upon

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1

26 June 1884, p.254. Sargood had in fact become a partner in the firm founded by his father Frederick James Sargood who had returned to England as a London manager in 1858 and died in 1871. (See Sutherland op.cit., II, pp.574).

2

Robert Reid to Australasian Commercial Congress (1888) quoted Chamber of Commerce Minutes, p.150.

commercial experience and moral rectitude. Mere diligence was unequal to the challenge of the new commercial system:

Most of the older colonial houses have been established by men of original powers able to initiate and carry plans through to a successful issue. With the growth of their wealth, with increasing age, and with the abstraction of a portion of their energies from their business to other pursuits, they have necessarily been induced to devolve the active administration of their affairs upon others, who from long training and assiduity have acquired an intimate knowledge of the ropes. But with a higher degree of administrative skill required to keep the routine of a business in motion, are not necessarily conjoined the wider capacities requisite for the initiation and execution of the fresh movements ever essential to keep a large concern abreast with the times. On the other hand, young and energetic men, who sometimes bring from the mother country knowledge and habits formed in a wider field, or who sometimes are content for a time with what older traders regard as a starvation margin of profit, are continually pushing upward, and receive encouragement from the facts that the colonial population rapidly increases, and that retail dealers in the colonies are little tied by lengthened associations to any one house.<sup>1</sup>

The merchant's sons, no less than his faithful employees, were threatened by the energetic newcomers. Robert Reid foresaw that 'if our children coming after us are to occupy our positions they will and must encounter a

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<sup>1</sup>

A.T.R., 28 July 1884, p.439.

new and fiercer opposition than we have done'.<sup>1</sup> A number of the manufacturers' agents had been educated in the new commercial schools of France, Germany and Belgium<sup>2</sup> and their commercial successes during the 'eighties gave weight to recommendations for the establishment of similar schools in Melbourne 'to secure to our boys a thorough efficient commercial education'<sup>3</sup>. The 'mercantile profession' (as some were now calling it) was to be based upon educated competence in modern accountancy, geography, languages, shorthand and correspondence.<sup>4</sup> Some of the older merchants (Sargood, Calder and Reid amongst them) took up these proposals with enthusiasm<sup>5</sup> - perhaps not least because they saw commercial education as a kind of insurance for sons who, though lacking their own 'original powers', had yet to succeed them.<sup>6</sup>

<sup>1</sup> Loc.cit.

<sup>2</sup> E.g., J.T. Lempriere, Jules and Charles Renard, C. Pinschhof.

<sup>3</sup> C. Pinschhof in *ibid.*, 1 xiii.

<sup>4</sup> See especially Grondona (p.lxi) and Reid (p.13) in *ibid.*

<sup>5</sup> See resolutions of Australasian Commercial Congress in *ibid.*, pp.liv-lv and consideration of Chamber of Commerce in Minutes, 10 February 1888, p.94. Also see speeches of Sargood (*ibid.*, 24 April 1888, p.112), Calder (Commercial Congress - Report p.47) and Reid (*Ibid* p.13).

<sup>6</sup> Both Reid and Sargood had sons who entered their fathers' firms (see J. Smith, Cyclopedia of Victoria, I, pp.500-1, 498.)

Several of the leading private schools, notably Melbourne Grammar, Scotch College, St. Kilda Grammar, Wesley, Xavier and All Saints Grammar School St Kilda, introduced commercial courses at about this time.<sup>1</sup>

The land boom and the 'company-mongering' which accompanied it opposed a laxer code to the conventional mercantile mortality. Surveying the commercial scene in 1880, H. Mortimer Franklyn had commented upon the 'thoroughly conservative and dignified commercial tone', the 'unostentatious and unbustling exhibition in the conduct of business transactions' which distinguished the leading commercial houses.<sup>2</sup> The obituaries of the older merchants celebrated

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1

Argus, 15, 19, 21 December 1888. (D.J. Davis, op.cit., p.68 regards these proposals as mainly directed to the education of junior clerks rather than merchants sons; this interpretation, I believe, is inconsistent with the clientele of the private schools, the proprietary tone which pervades discussion of the issue and the content of the main proposals.) At this stage the grades of commercial education envisaged by T. Fink (Royal Commission on the University of Melbourne, V.P.P., 13/1904, pp.66-7) were not clearly distinguished. It may be mentioned that, as early as 1874, Scotch College had formulated schemes for commercial education. (See R. Morrison to Balfour, 6 November 1874).

2

Op.cit., p.214.

similar qualities. Richard Goldsborough, for example, was deemed 'the model merchant':

Honest as the day, a hater of deceit, a man whose word was as good as his bond, whose heart was as large as his massive frame, not prone to seek notoriety, yet the adviser of many, a staunch friend, and a man to be respected by his foes, if he had any, which is doubtful.<sup>1</sup>

By the late 'eighties, however, it seemed to more than one observer that 'the old roads to prosperity - industry, patience and intelligence - seemed out of date, and the stimulus to steady labour in any path in life was superceded by a belief in luck and pluck'.<sup>2</sup> The honour and honesty of principals, which had been taken to require abstention from any but commercial business and a careful personal supervision of accounts, were tested and sometimes found wanting. Late in 1887 Judge Worthington of the Insolvency Court had to admonish merchants for their failure to keep an informed eye upon their affairs and their regrettable inclination to speculate in shares outside their own businesses.<sup>3</sup> In attempting to extricate themselves from speculative difficulties several mercantile houses converted themselves into limited

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1

J.C., 19 April 1886, p.5. For similar description see *ibid.* Obituary of William Bailey, 24 January 1890, p.9.

2

H.G. Turner to Chamber of Commerce in Minutes, 7 May 1889, p.198.

3

J.C., 3 November 1887, p.3.



liability companies.<sup>1</sup> For obvious reasons it is difficult to estimate precisely the degree and extent

1

The motives which prompted firms to convert into limited liability companies were varied. Some were converted in order to formalize the relationships of several partners and their heirs (see W.J.B. Salmon - Advantages of Converting a Business into a Company with Limited Liability (Sydney 1886) p.8 nos.5 and 6). For example, it seems that Michaelis Hallenstein's tannery and leather merchant's business was converted (1892) in order to settle the uneasy relations between two partners and their heirs (see e.g. Moritz Michaelis, Letterbook (36/10/1 in A.N.U. Archives) esp. letter Moritz Michaelis to Edward Michaelis, 8 September 1891).

More commonly, however, partnerships were converted as a means of recruiting additional capital to the aid of a faltering enterprise. This was observed commonly to be the case in England. (Chadwick quoted by H.A. Shannon - 'The Limited Companies of 1866-83' in E.M. Carus-Wilson, Essays in Economic History, Vol.1, (London 1954) p.392). The Journal of Commerce, as early as 1886 (19 April 1886, p.4), had warned against such manoeuvres and, after the event, it was obvious, as O'Loghlen put it (V.P.D., 74/1894, p.777) that

... sometimes when a firm has a doubtful future before it, it has taken advantage of its good standing and credit to transform itself into a company, the company taking over all the liabilities, and the firm being relieved of all its care and anxieties.

A number of mercantile firms, registered as limited liability companies in the late 'eighties, were insolvent by the mid-nineties (e.g. Grieg and Murray, Caldwell's Australian Wine Company, Grondona and Co., Heinecke and Fox, Fraser and Co.; cf. 'Companies Registered 1887-8' in V.P.P., C7/1888 and 'Companies Defunct or in Liquidation 1886-96' in V.P.P., C6/1896) In addition, there were 'doubtful' companies which weathered the 'nineties only with difficulty. For (footnote continued on p.44)

of this lapse in mercantile mortality; but certainly some highly respected and well-established members of the merchant community were drawn, or perhaps led by their enthusiastic junior partners, along a broader road.<sup>1</sup>

The loyalty of the diligent apprentice was also over-taxed: rather than toil away behind an office desk, for a low salary, he shoots out and becomes a land speculator or a mining speculator.<sup>2</sup> Clerks and commercial travellers often became deeply involved in speculation,<sup>3</sup> and some at least resorted to embezzlement in attempting to extricate

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(footnote 1 continued from p.43)  
 example, Balfour, Elliott and Co., and Swallow and Ariell which had been converted into a limited liability company in the midst of financial difficulties in the late 'eighties (e.g. Derham to Swallow, 1 May 1886, 9 May 1889, 6 June 1887, 12 September 1887) and was unable to pay a guaranteed dividend of eight per cent in the early 'nineties (Reports of Proceedings of Meetings of Shareholders 1891, 1892, 1893, 1894.)  
 (All in M.U. Archives).

1

Perhaps the two most conspicuous examples were W.K. Thompson (ex McEwans) who became insolvent in 1889 (J.C., 11 January 1889) and Sir James Lorimer whose large debts to his company, Lorimer, Rome and Co., did not become apparent until 1894, almost five years after his death. (Ibid., 8 May 1894 p.6, 20 September 1889).

2

W.H. Calder in Commercial Congress Report, p.43.

3

See below chapter 8.

themselves.<sup>1</sup> These last were said to include some 'very nice fellows' who were 'members of this or that society or club' and had 'the entrée of many of the best houses in town'.<sup>2</sup>

In 1887 the Journal of Commerce, reading the signs of the times, asserted that

it is the fashion nowadays to think that there is no such quality as commercial morality, and, unfortunately, even those few who have tenaciously clung to the old-time customs

1

J.C., 22 February 1889. There was a striking rise in the numbers of persons taken into custody on this charge.

|      |    |      |     |
|------|----|------|-----|
| 1880 | 45 | 1888 | 67  |
| 1881 | 32 | 1889 | 79  |
| 1882 | 48 | 1890 | 85  |
| 1883 | 29 | 1891 | 70  |
| 1884 | 52 | 1892 | 107 |
| 1885 | 57 | 1893 | 63  |
| 1886 | 70 | 1894 | 40  |
| 1887 | 68 | 1895 | 44  |

(from Victorian Statistical Registers 'Law, Crime etc.' 1890, 1895) Many offences were not detected until the early 'nineties when merchants at last began to put their books in order. For some cases (Argus 10 June 1892 p.7G, 15 June 1892, 21 September 1892, 19 May 1892, p.10F, J.C., 14 August 1894, p.6, 15 December 1887, p.3, cases of Joseph Atkinson, 1 October 1889 and Sydney Dixon, 3 October 1892 both in Prosecutors' Briefs, Court Records, State Archives) I actually examined some two dozen cases of embezzlement from the late 'eighties through the Prosecutors' Briefs; however, they were generally unhelpful as to the defendants' motives. Two sorts of explanations were given by contemporaries: that the embezzler was engaged in 'fast living' (J.C., 6 September 1887) or that clerical salaries were inadequate for their needs and unbecoming their legitimate aspirations (A.B.S.G., 13 February 1889, p.696).

2

'Decay of Morals', J.C., 3 May 1889.

and beliefs must, by the ever-recurring exposures in connection with trade, have had their faith much shaken and be near that negative state of trusting nobody, believing in nobody...<sup>1</sup>

It called for 'more truth, more honesty and more backbone ... in our commercial life' and warned that 'we are degenerating from men to money-grubbers'. That warning was perhaps proper in a more general sense, for in this new commercial Melbourne - with its 'army' of foreign agents, its credit investigators and inspectors, its typewriters and telephones, its office rules and regulations - it, might well have appeared that those foundations of personal knowledge, experience and honour embodied in the 'rugged corner stones of commerce' were being effaced.

The enormous contraction of consumption and credit which distinguished the depression of the early 'nineties from the period of booming expansion which preceded it had marked effects upon the size, structure, organization and style of the mercantile community. Insofar as it intensified competition and placed heavier demands upon merchants for efficient and economical conduct of their business, depression may have served to confirm some of the tendencies to rational business organization which had appeared in the 'eighties. On the other hand, so many of the

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<sup>1</sup>

31 May 1887, p.3A-B.

discomforts of the early 'nineties could be read as the results of the boom-time indiscretions, that merchants were also impelled to amend what they now saw as a dishonourable lapse from their true role - that of 'the old honest British merchant'.

The first and most obvious consequence of the depression was a great decline in the volume of goods imported into the colony. From a peak of £24,402,760 in 1889, total Victorian imports declined to a trough of £12,470,599 in 1894.<sup>1</sup> Furthermore, this large overall reduction was biased towards commodities usually described as 'luxuries' and 'material for re-producing purposes' rather than 'necessaries'.<sup>2</sup> Table 1.1 (below) presents figures for some typical members of those classes and illustrate the general point. Such a lop-sided contraction of imports naturally affected merchants with unequal severity. The Journal of Commerce noted in 1894 that

1

Victorian Statistical Register, 'Interchange' The detailed figures are:

|      | £          |
|------|------------|
| 1890 | 22,954,015 |
| 1891 | 21,711,608 |
| 1892 | 17,174,545 |
| 1893 | 13,283,814 |
| 1894 | 12,470,599 |
| 1895 | 12,472,344 |

2

This distinction was well-established in mercantile vocabulary (e.g., J.C., 20 December 1882, p.696.)

Table 1.1 Victorian Imports 1890-95 (Selected Commodities)<sup>1</sup>

|                         | £         | £       | % Decline |
|-------------------------|-----------|---------|-----------|
|                         | 1890      | 1895    |           |
| <u>FOOD</u>             |           |         |           |
| Tea                     | 666,239   | 311,312 | 53.3      |
| Sugar and Molasses      | 1,208,797 | 647,982 | 46.4      |
| <u>DRINK</u>            |           |         |           |
| Beer Cider & Perry      | 320,089   | 71,415  | 77.7      |
| Spirits                 | 487,941   | 186,571 | 61.8      |
| Wine                    | 143,345   | 31,669  | 77.9      |
| <u>CLOTHES ETC.</u>     |           |         |           |
| Apparel & Slops         | 428,496   | 172,982 | 59.6      |
| Cotton Piece Goods      | 958,266   | 927,269 | 3.2       |
| Gloves                  | 126,183   | 82,896  | 34.3      |
| Jewellery               | 49,487    | 21,996  | 55.6      |
| <u>HOUSEHOLD GOODS</u>  |           |         |           |
| Carpeting               | 91,422    | 31,403  | 65.7      |
| Furniture & Upholstery  | 73,336    | 11,811  | 83.9      |
| <u>INVESTMENT GOODS</u> |           |         |           |
| Tools and Utensils      | 82,625    | 30,813  | 62.7      |
| Machinery               | 348,726   | 121,371 | 65.2      |
| Timber                  | 1,288,982 | 174,146 | 86.5      |
| Nails & Screws          | 24,371    | 4,181   | 82.8      |
| Iron & Steel            | 905,134   | 346,824 | 61.7      |

1

Statistical Registers, 'Interchange'.

given that first essential [one's own capital], traders in commodities of necessity, have secured a fair margin of profit over and above interest, but those who have supplied articles of relative luxury have not fared nearly so well.<sup>1</sup>

Notwithstanding the predominance of old established houses in the trade, the number of listed wine and spirit merchants declined from 134 in 1890 to 116 in 1895, while tea merchants actually increased from 20 to 26.<sup>2</sup> Timber and hardware merchants suffered most severely from the collapse of the building industry: the former fell from 104 in 1890 to 70 in 1895.

In general, contraction of consumption was unevenly shared, not only between various types of merchandise, but also between various sorts of consumer. In particular it was the metropolis rather than the country areas - at least until 1892 - which was affected. After the poor wool prices of 1892-3 and the onset of prolonged drought, this imbalance was partially redressed. Indeed by 1894, just as the situation in the city had begun to look 'more healthy', the Journal of Commerce predicted that the 'country store keepers [would] not be able to withstand the long strain of increasing book debts'.<sup>3</sup>

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1

2 February 1894, p.8.

2

Sands and McDougall, Melbourne Directories, 1890, 1895. Wine and Spirit merchants, together with their retailers, were very active in attempting to lower the duties on liquor. (J.C., 15 August 1893, p.12). The persistence of the tea trade was seen as surprising by contemporaries (e.g. Argus, 9 July 1892, p.5A.)

3

J.C., 20 November 1894.

Finally, merchants involved in re-export to other colonies were more drastically affected than those who dealt exclusively with 'domestic' imports. As the Journal of Commerce demonstrated to a surprised mercantile community, Melbourne had actually been losing ground, in some areas at least, since the mid-'eighties.<sup>1</sup> The re-export trade had always been a tender growth, feeding mainly upon a large 'domestic' import trade; when that trade declined, so - it was surmised - must the re-export trade:

As soon as ... the volume of trade is exhibited to the world, there is a general drift of trade towards the country that shews the greatest progress. Agencies and ship-owners, money-market and everything, look to this question of the volume of trade, and so we see that agencies that used to be fixed in Victoria are gradually drifting to our neighbours, not because of any superiority on their part in the way of skill, or energy or position, but simply because the volume of trade has gone there ...<sup>2</sup>

The difficulties of the re-exporters were compounded by the imposition in 1893 of a one per cent primage duty levied upon all imports but, unlike ordinary customs duties, not returnable as a drawback when goods were

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1

6 November 1894, p.5.

2

W.H. Calder to Board appointed ... to enquire into the Effect of the Fiscal System ... [B.F.S.] V.P.D., 37\*/1894, Q15683.



re-exported.<sup>1</sup> Some goods - particularly those already subjected to heavy duties - were exempted, but the tax fell very heavily upon softgoods, paper and metal goods.<sup>2</sup>

The imposition of this new barrier to intercolonial trade made merchants more aware of the advantages of cheap coal fuel, lower wharfage rates, docks close to the centre of the city, proximity to New Zealand.<sup>3</sup> These several considerations forced many Melbourne merchants either to relinquish their intercolonial connections or to transfer their centre of operations to Sydney. Some had already established branches in the 'sister colony' during the 'eighties when their more pushing style of business made them sufficiently conspicuous to earn the title

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1

This tax, designed to raise revenue 'to pay the public creditor' was actually supported in the Legislative Assembly by merchants like Robert Harper because they feared the alternative (Deakin's land tax) even more and do not seem to have foreseen its effects on mercantile enterprise. (V.P.D., 72/1893, p.1255.)

2

Ibid., p.1218.

3

Age, 17 May 1894, pp.5B-C.

'new chum houses'.<sup>1</sup> In the mid-'nineties several other firms joined them and others announced they were contemplating removal.<sup>2</sup> J. Bennie for example,

said he dealt largely in softgoods, and although he desired to remain in Melbourne, the time was not far distant when he would be compelled, in his own interest, to look for his living at Sydney. Already he had started business there in consequence of the primage and wharfage rates, in order to retain his intercolonial trade.<sup>3</sup>

In May 1894 a delegation of merchants petitioned the Commissioner of Customs to remove the primage duty or at least to allow drawbacks; but the duty remained.

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1

J.C., 18 August 1891, p.8. "New Chum houses" is the polite trade term applied to the branches of Victorian firms which have been established in Sydney. We suppose our prosaic neighbours do not relish having competitors who do not close their warehouses for an hour at midday, or whose principals do not 'go out to see a man' at about three in the afternoon, and find themselves in a billiard room or their club for the remainder of the day. Or perhaps they find that the natural acumen of such firms as Parbury Henty and Co., Connell Hogarth and Co., Parson Bros., and Co., and Harper and Co., etc., is sufficient to enable them to snatch away the cream of the trade, leaving the old chums to liquidate the estates of their own clients'. Most of these firms appear to have been in the grocery or wine and spirits trades. Henry Berry and Co., another large grocery firm also transferred to Sydney at this time (Henry Berry and Co., Birthday 100 (Melbourne 1956)).

2

Age, 24 April 1894, p.5F notably James Henty and Co., Cohen Nelson and Co., Jules Renard; see also J.C., 10 September 1895, p.10. Evidence of William A. Seward of Curcier, Adet and Co., to B.F.S., V.P.P. 37\*/1894, Q.9375 and W.H. Calder in Ibid., Q.15734.

3

Age, 4 May 1894, p.7A.

Because of the presence of branches of Melbourne firms in Sydney before 1890, it is difficult to estimate the number of firms which actually transferred the centre of their operations to Sydney. Certainly some Melbourne firms - Erbsloh and Co., H.J. Langdon, James McEwans and Ostermeyers for example - opened Sydney offices during the early 'nineties but the reconstruction of Sydney branches as headquarters is more difficult to follow.<sup>1</sup> Jules Renard, for example, retained both Sydney and Melbourne houses but now largely abandoned the practice of re-export and did so, where necessary, only from Sydney:

Prior to the imposition of the primage tax our practice was to stock in Melbourne all lines that were required for the supply of intercolonial wants. We had branches in Sydney and Brisbane that did business direct, apart from the Melbourne house, but our representatives in New Zealand, Tasmania, West Australia and South Australia sent their orders here. Since the primage duty was enforced, we have adopted as far as possible an indent basis for supplying the needs of the colonies in which we have no definitely constituted branches; that is to say, the Melbourne house receives orders from the different intercolonial markets apart from New South Wales and Queensland, and executes them by the cheapest and best direct communication that we can procure. There is no touching Melbourne at all if we can help it. If we are asked to supply goods to replenish stocks which have run short between shipments on the above basis, we do so from a stock held in Sydney.<sup>2</sup>

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1

These examples were located in Sydney and Melbourne directories for 1890 and 1895.

2

Age 24 April 1894 p.5F.

Between 1890 and 1895 re-exports from Melbourne to other colonies declined save in the extraordinary instance of West Australia where trade actually increased by almost 400 per cent.<sup>1</sup>

The contraction of credit<sup>2</sup> had dire effects upon both merchants and agents. The former were reduced to shorter credit and were at a disadvantage to the agents whose methods of direct indenting obviated costly stock holding. Throughout the 'nineties they conducted a long battle to reduce stocks and eliminate 'jobbing'. They now aspired to 'reduce the buying to a science',<sup>3</sup> to contain their purchases well within their known capacity to sell. S.P. Jones, the Melbourne manager of Robert Reid and Co., had constantly to warn his London representative against 'over-buying'.

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1

Re-Exports of 'Foreign' Goods from Victoria (£).

| To:    | 1890    | 1895    |
|--------|---------|---------|
| N.S.W. | 982,024 | 596,768 |
| N.Z.   | 219,689 | 165,173 |
| Q'LD   | 205,153 | 147,264 |
| S.A.   | 204,804 | 162,645 |
| TAS.   | 373,903 | 239,302 |
| W.A.   | 49,545  | 246,522 |
| FIJI   | 6,689   | 1,016   |

2

For reductions in terms see e.g., Australasian Grocers' Journal [A.G.J.] 28 May 1893 p.125.

3

William Gibson to Dougall, 9 June 1891, p.250.  
(Foy and Gibson Papers, M.U. Archives).

... where we cable for a line and you get just what we ask for at a job price is of course excellent business such as the various jobs Mr Bones sent us in answer to repeats - but buying jobs without an order, because they are jobs, is best left alone. Watsons, Ross Robertsons, Birkets and Freys ought to teach us enough about buying jobs - your system of sending a cable and asking us our opinion where a big job is being offered you is the correct one.<sup>1</sup>

Buyers were advised to make greater use of cables and of steamers rather than sailing ships.<sup>2</sup> Both cable rates and ship freights were reduced in the early 'nineties, the latter very substantially. The 'shipping ring' previously operated by the 'Associated brokers' was upset by Tyser and Co., whose 'Maori King' began to operate at 30/- a ton on the London to Australia route in 1890.<sup>3</sup>

Merchants, sometimes burdened with large stocks, faced a market which had been 'spoiled' by clearance sales and the price-cutting of those of their fellows

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1

Robert Reid, London Memo Book 10 November 1896, p.36. Also see 24 April, 1897, 6 March 1897.

2

Ibid., 1 March 1897, p.84. Gibson to Dougall, 10 February 1891, p.198.

3

Rates:                    1 Jan. 1890    15 April 1890    20 Dec. 1890  
 Closed Naked Weight.  
 Sailing ship.            30.0                    25.0                    17.6  
 Steamer                    35.0                    27.6                    20.0  
 (from Argus 3 January 1891 p.13A)

who practically ignored profit margins in the futile attempt to 'do a turnover'.<sup>1</sup> The few retailers who could command substantial independent capital were well placed to exploit the cut-throat competition of merchants and agents. The stocks of liquidated wholesale houses were sold under conditions which depressed prices and confidence among their fellows. Sometimes they were realised at public auction amidst talk of 'sacrifices' which undermined confidence in the creditors of the defunct firm;<sup>2</sup> sometimes they were sold in small lots directly to the few retailers who had the capital to make cash purchases.<sup>3</sup> Most of the latter however had, in fact, to maintain very small stocks and renew orders from the merchants as often as three times a week.<sup>4</sup> Many merchants, preferring to retain stocks rather than accept retailers' dubious paper, reluctantly fell in with this method of dealing; others, however, adopted the riskier course of extending credit to those retailers who would enter into an arrangement to deal with them exclusively. Such 'tied houses' or 'nursed accounts', being sufficiently indebted to a wholesale merchant, could demand renewals almost as a matter of right.<sup>5</sup>

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1

J.C., 17 March 1891, p.5 - see example of Stracker and Fischer mentioned Robert Reid and Co., London Memo, 15 December 1896 p.47.

2

J.C., 22 May 1894.

3

J.C., 7 November 1893, p.8.

4

Ibid., 15 March 1892, p.5.

5

Ibid., 26 September 1893, p.12, 19 December 1893, p.5.

Once reverting to this dependent connection with a single supplier (and relinquishing the independence attained during the previous decade) the retail houses had no use for the brokers whose services had been essential to the efficient working of the free market system. In the late 'eighties, the tea and sugar markets especially had supported a large number of brokers who acted for buyers both in Victoria and other colonies. By 1893 the Journal of Commerce claimed that

... business transacted in the open market or on the old lines is getting less and less every day, until it is now almost non est. Even the most energetic and competent brokers have to turn themselves into intercolonial agents and such like, and divide their brokerages with confreres in other centres, in order to make a decent livelihood. There is little or no speculation in the market, and even if the desire existed there are very few brokers who have the experience or enjoy the confidence of capitalists required to bring it about. Again, there are so many in the business that they 'cut each other's throats' - to use a colloquialism - and contracts are made for the most trifling amounts at a small percentage of the old-time charge of one per cent.<sup>1</sup>

Nomenclature was often deceptive and those who described themselves as 'brokers', 'agents', 'merchants', or 'importers' might have undertaken almost any of these functions.<sup>2</sup> Nevertheless it is probably significant

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1

Ibid., 29 August 1893.

2

J.C., 3 April 1886.

that, although the 1890 Melbourne Directory included 431 names under the heading 'general broker', that of 1895 listed only 92 while 320 were placed in the new category 'Agents-general'.

The conditions of financial stringency which undermined the broker's position, also tended to the advantage of the agent over the old-style merchant house. Lower overheads, access to British capital, more flexible credit policies and especially their practice of buying on the basis of samples displayed to purchasers rather than from rough verbal descriptions forwarded to London buyers worked in the agent's interest. Robert Reid and Co., a large Melbourne softgoods house, instructed their London branch to supply a similar range of samples, lest they were themselves compelled to buy through local agents.

We want in future a lot more attention paid to 'samples T.O.F.' ['to order from'] don't forget that - it is the key to nearly all the worry and dissatisfaction you feel at our doing biz with local agents - the agents here shew us a rattling good range of samples - a big variety of lines suitable to our trade .... Your remedy is plainly to let us have as good a range of samples as these Agents shew ...<sup>1</sup>

For these various reasons, then, the trade of the warehouses continued to decline relatively to the agents'. In 1897, S.P. Jones recalled that

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1

Robert Reid London Memo Book, 12 January 1897



in my experience of business here I have seen warehouses fading out of existence year by year until now we have not half the number we had a few years ago and this under a constantly increasing population - it is brought about by the army of Agents daily getting more numerous who do by direct Indents the trade that used to filter through warehouses only the fittest of which have survived and several of these are now reduced to taking Indents where they can.<sup>1</sup>

Although as a class the agents now handled a larger share of trade than the warehouses, as individuals they were often less fortunate. Ruinous competition drove some agents into insolvency<sup>2</sup> and not a few suffered a falling off in trade similar to that of one who, in August 1892, asserted that

we used to work late three nights a week and three Saturday afternoons out of four. This year I have not worked late once since Christmas, and not one Saturday afternoon, while many days I am able to get home to the suburbs for lunch.<sup>3</sup>

Foreign manufacturers did not always maintain exclusive dealing with a single agent; thus confusion and cut-throat competition were compounded.<sup>4</sup> By contrast,

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<sup>1</sup> Ibid., 24 April 1897.

<sup>2</sup> J.C., 17 March 1891, p.5. 153 'Agents and Commission Agents' were registered as insolvents between 1889 and 1893. (Statistical Register of Victoria 1893 'Law, Crime etc.' p.15.)

<sup>3</sup> Australasian Ironmonger, 1 August 1892, p.288.

<sup>4</sup> E.g., Robert Reid London Memo Book, 5 October 1896, 12 January 1897.

'merchants' became insolvent only rarely<sup>1</sup> and were often able to engage their capital in some other profitable sphere of activity; agriculture was said to be especially favoured.<sup>2</sup>

Nevertheless agents and merchants alike were now compelled to cut expenses to the bone. 'Now' as one trade journal suggested 'is the time to overhaul our whole business'. The principal was advised to

save a good percentage of his return by taking the opportunity of slack times to go systematically and thoroughly through each department, looking into details which, as a rule he must leave to subordinates. Methods of keeping stock; arrangements on the shelves or in the warehouse; goods that are getting less saleable; his account books, his price book; his stock of catalogues ...<sup>3</sup>

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1

H.R. Carter to Chamber of Commerce in Minutes, 26 April 1894, p.551. 45 'merchants and importers' became insolvent 1889-1893 (Statistical Register of Victoria, loc.cit.)

2

J.C., 25 April 1893, pp.9, 11. 19 December 1893, p.6. Remarks of W.H. Calder to Chamber of Commerce: 'It is to the products of the soil ... we must look to recover and build up a lasting material prosperity.' Ibid., 4 July 1893, p.20. For an example of this trend see the bidding of the Melbourne firm Phipps Turnbull and Co., for the lands of the Van Diemen's Land Company (J.W.M. Smith to V.D.L. Co., London Directors, 12 December 1891 and 11 March 1892 in Van Diemen's Land Company Papers. I am indebted for this reference to Mr J. Stokes).

3

Australasian Ironmonger, 'Work for Dull Times', 1 March 1892, p.68 and 4 February 1892, p.111.

No doubt such deliberate busyness was partly designed to alleviate the 'misery and melancholy' induced by inactivity; yet it also appears to have produced some tangible results: manufacturers' agents resorted to shared accomodation; 'old, skilled clerks ... [found] their places filled by younger men',<sup>1</sup> and the country clients of old firms were disappointed to find the old and trusted commercial traveller replaced by a 'beardless youth taken from the warehouse and sent upon the road', ostensibly 'to give him a chance to show his ability' but more usually 'to try and save expenses in the matter of salary'.<sup>2</sup>

Clerical salaries were sharply reduced<sup>3</sup> and many clerks and salesmen now found themselves without a situation. In July 1892 the Argus reported that

the heretofore comfortably circumstanced people, clerks, shop assistants and the like who have been reduced to poverty by loss of employment, are gradually letting their need be known or are being discovered by the volunteer workers .... With these persons the process of impoverishment has been very gradual; they have in many instances struggled on as long as possible in silence.<sup>4</sup>

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1

J.C., 7 May 1895, p.16.

2

Australasian Ironmonger, 1 December 1893, p.385,  
A.G.J., 30 November 1893, p.265.

3

For discussion of rates of reduction see below chapter 8.

4

Argus, 2 July 1892, p.4E

Shortly afterwards a Clerks' and Mercantile Assistants' Relief Fund was established with donations from some of the larger houses in Flinders Lane.<sup>1</sup> In August there were 240 cases on the books of the Fund; in September 309. Some were found temporary employment; others were given weekly cash grants; some few were provided with meals and beds.<sup>2</sup> By October the current view that clerks and other black-coated workers were suffering for their reticence in asking for relief was challenged by the Charity Organization Society which alleged that, in fact, the Clerks' Relief Fund was better endowed than other relief agencies.<sup>3</sup> A month later, when funds were said to be running short, only 40 clerks remained on the books.

In accordance with a falling demand for clerical labour, the Accountants' and Clerks' Association's work as an employment agency was pushed into the background and other activities - mainly social and benefit - came to the fore. In 1891 consideration was given to a proposal to raise the subscriptions and entrance fees to prevent the 'dishonourable conduct' of those who used the

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1

Ibid., 9 July 1892, p.11D. Also see ibid., 21 July 1892, p.7D.

2

Ibid., 18 July 1892, p.6D, 20 September 1892, p.7F.

3

Ibid., 6 October, 1892, p.10.

Association merely as an employment agency.<sup>1</sup> Mainly upon the initiative of Max Hirsch, a Free-trade and Single Tax propagandist who was in mind of the Clerks' Association in Berlin,<sup>2</sup> a resolution was passed to enlarge the functions of the Association with a social club, commercial education classes, provident fund, widows' and orphans' fund; book-keeping and shorthand classes, lectures on literature and a billiard room were later established.<sup>3</sup> Meanwhile, the number of applications for clerks from business houses slumped almost to nil and during 1892 the relief funds of the Association were scarcely adequate to provide some small measure of relief to its own members.<sup>4</sup> Two years later, although activities of the Association remained set in a 'social' mould, the flow of applications for employment had revived and the members set about preventing a recurrence of the distress of the depression years through an 'unemployed indemnity fund'.<sup>5</sup>

1

Australasian Financial Gazette, (A.F.G. formerly A.B.S.G.), 26 March 1891.

2

A.B.S.G., 23 October 1890, p.311; for his life and career: 'Hirsch, Maximilian' in Australasian Encyclopedia (1958).

3

A.F.G., 1 September 1891, p.439, 4 June 1891, p.59. 23 February 1891, p.535, 5 November 1891, p.321, 24 September 1891, p.256.

4

Argus, 25 June 1892, p.5C, 21 October 1892, p.6.

5

A.F.G., 29 September 1894, p.104, 24 March 1894, p.26, 29 April 1894, p.104, 29 January 1894, p.343-4.

The urge to re-establish a lost mutuality of dependence, interest and regard which seems to have marked the activities of the Accountants and Clerks was similarly evident in the Chamber of Commerce. The new conviviality was demonstrated when, in 1893, the Chamber abandoned its customary formal dinner for 'A Social Evening and Conversazione' at which members could become better acquainted, without any 'loss of respect'.<sup>1</sup> Of course, the Maritime Strike and the apparent threat to property posed by the formation of the Progressive Political League had together goaded the merchants into some kind of united opposition. In 1891 the Journal of Commerce noted approvingly that the Chamber had once again been 'warmed into action' and was adopting 'that jealous care so necessary when despoilers are abroad'.<sup>2</sup> Some members had desired a mediatory role for the Chamber; but their proposals did not command united support.<sup>3</sup> Several times in the subsequent two years schemes of industrial conciliation and arbitration were put forward and debated; in 1894, however, negotiations with the Trades Hall reached a final

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1

J.C., 5 December 1893, p.9. At about the same time the softgoods houses also established a club in Flinders Lane for members of their fraternity.

2

Ibid., 9 June 1891, p.5. The J.C., had been attempting to induce some action within the Chamber since 1890 (see ibid., 6 May 1890, p.5, 27. May 1890, p.7).

3

Chamber of Commerce, Minutes 24 February 1891.

impasse over the question of compulsion.<sup>1</sup> On the other hand, the Chamber's long-meditated proposals for a scheme of commercial arbitration to settle disputes between merchants were at last brought to fruition; in practice, the machinery was but seldom used and then mainly as a means of conciliation.<sup>2</sup>

In 1892 several merchants stood as parliamentary candidates and, for the first time in several years, the commercial interest asserted itself as 'a New Force in politics'.<sup>3</sup> Older members of the Chamber of Commerce were prominent in the activities of the National Association while their sons and the Chamber's younger members were the main constituents of the Young Victorian Patriotic League.<sup>4</sup> Both organizations

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1

Ibid.

2

B. Cowderoy, op.cit., pp.119-121.

3

Argus, 13 February 1892, p.13E. (in reference to the Young Victorian Patriotic League). Two of the more important occasions for merchant political activity were the candidatures of Matthew Lang and Robert Reid at bye-elections: on both occasions merchants were conspicuously in support. Argus 13 September 1892, p.5A, 9 November 1892, p.5C.

4

According to the Argus, the Y.V.P.L., consisted of 'blackcoated' young workers' mainly between 20 and 40' (13 February 1892, p.13E); according to the Commonweal and Workers' Advocate (10 September 1892) 'its leading spirits' were 'young cubs who held positions in the bung banks and rotten investment societies'; G.D. Meudell, one of its leading members, referred to the fathers and older friends of Y.V.P.L. members as being the

(footnote continued on p.66)

appealed for the strong representation of business interests, 'a better management of the business affairs of this nation', and for the recruitment to political life of 'men of business-like capacity'.<sup>1</sup> They ardently opposed the Progressive Political League, the Trades Hall and the policy of 'one man, one vote'. Temporarily at least, a common interest in the defence of property had over-ridden the mercantile community's continuing divisions on tariff policy.<sup>2</sup>

In earlier times the merchants' claims to political leadership had rested, not merely upon interest or competence, but upon their high ethical standing. Now, however, their integrity, and that of their employees, could no longer be counted upon. As merchants overhauled their accounts the defalcations

(footnote 4 continued from p.65)  
 constituents of the National Association (Argus, 25 February 1892, p.6B). An inspection of the lists of members (ibid., 10 February 1892, p.6D, 24 February 1892 p.5A) confirms the presence of several younger merchants (R.J. Alcock, J.F. Deegan of John McGee and Co., W.J. Curry), agents (Charles Forester, E. Jowett, W.R. Church, W.F. Stillman), 'landboomers' (W.L. Baillieu, G.D. Meudell, Theodore Fink) and sons of merchants (F.E. Thonemann, F.G. Sargood, H.F.A. Gourlay).

1

Ibid., 10 February 1892, p.6C. J.C., 1 March 1892, p.7. The organization, rhetoric - especially its military allusions and appeal to patriotism against class socialism - as well as the membership of the Y.V.P.L. suggest a certain continuity with such later depression-time movements as the New Guard.

2

On the latter see J.C., 14 February 1893, p.11, 14 August 1894, p.13.



of many well-trusted employees were brought to light. Principals now had cause to wonder whether they were 'properly advised as to the private lives or habits of members of their staff'.<sup>1</sup> Had they overdone 'the habit of promoting and advancing what were called smart men sometimes and leaving behind the honest plodder'?<sup>2</sup> Was 'honesty and character' at too low a premium? Observers now noted a disposition amongst a few old established houses to give trusted employees an interest in the businesses', so 'reducing the strain on veteran principals' and rewarding 'old servants' by a cheaper means than raising their salaries.<sup>3</sup> Merchants, too, now felt the consequences of their late indiscretions; although the number of insolvencies and liquidations was relatively small, it included some old and highly respected houses - Benjamin Benjamin, Phipps Turnbull, Leader Stevenson, Robert Caldwell, Grieg and Murray.... Whether they stood or fell, therefore, the mercantile community felt that 'the question had arisen as to what sort of morality was observed in Melbourne, and therefore it must be recognized that they were to some extent on their trial'.<sup>4</sup> Certainly there was still 'a

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1

Ibid., 27 March 1894, p.10.

2

Robert Reid, Chamber of Commerce Minutes, 14 February 1889, p.170.

3

J.C., 3 January 1893, p.8.

4

J. Huddart to Chamber of Commerce in report of his mission to England as a delegate to the Congress of Chamber of Commerce. Argus, 20 December 1892, p.9B.

substantial leaven of the old honest British merchant who at any time would choose to lose his money rather than his good reputation'. But the survival of most Melbourne merchant houses was perhaps a doubtful tribute to their integrity.

CHAPTER 2MACHINES AND MEN

The gold rush of the early eighteen-fifties had given a temporary, precarious livelihood to the thousands of prospectors who streamed into the infant colony. By the early 'sixties, however, when the alluvial deposits were petering out, the old hands of the 'thirties and 'forties who still clutched the reins of power, found themselves encumbered with a residual population too large, skilled and independent<sup>1</sup> to be smoothly absorbed into either the new company-mining or the old pastoral economy. These new, and sometimes reluctant, colonists demanded a living of their adopted country: they called for the great squatter estates to be 'unlocked' and divided into small holdings for free selection; in the growing city, skilled artisans badgered their representatives for a tariff high enough to 'protect' an infant manufacturing industry.<sup>2</sup>

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1

On the character of the gold-rush settlers see Geoffrey Serle, The Golden Age (Melbourne 1963) indexed references under 'Immigration' and especially Appendix 3 'Unassisted Immigration', pp.386-7.

2

On the origins of Victorian protection as a farmers' movement see W.T. Charles, 'The Victorian Protection Movement' in the Victorian Historical Magazine, February 1931, vol.XIV, no.1, pp.7-23; for a dissident view see N.G. Butlin, 'Colonial Socialism' in H.G.J. Aitken, The State and Economic Growth (New York 1959), pp.42-3.

Protection in Victoria was more than a theory in political economy: it was, as Sir Keith Hancock put it, 'a faith and a dogma'<sup>1</sup> which drew urban manufacturers and artisans into a formidable social and political alliance. In fact, the mutuality of interests and aspirations which it asserted had a close correspondence with actual social conditions in the nascent industrial suburbs of Melbourne. Here factories were little more than workshops; to the casual observer, the master was merely one craftsman among several and, outside the shop, his manner and means may have suggested little more. The premises were small and there was little capital equipment. Social relations, whether they were harmonious or not, were personal rather than formal. Masters and men were at one in their support of a protective tariff; both were members of a network of lodges, friendly societies and political associations which, more or less openly, propagated their fiscal faith.<sup>2</sup> Thus an alliance founded upon a genuine mutuality of economic interests was cemented by common membership of a craft, the familiarity of the small workshop and the shared trials of warfare against a common political adversary.

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1

Australia (London 1930), p.77 (reference from Australian Pocket Library edition 1945).

2

For an examination of some of these groups in a local context see the author's 'Class, Associations and Opinion in Richmond 1860-1892', B.A thesis, University of Melbourne, 1962.

In succeeding years the alliance secured a high tariff against most foreign manufactures and, by 1880, when the products of Victorian industry were displayed to the world at the Melbourne International Exhibition, its spokesmen could bring tangible proofs to justify Protection. John Bunclie, President of the Manufacturers and Exhibitors' Association<sup>1</sup>

felt a pardonable pride in the fact that Victoria excelled all other colonies as a manufacturing colony and [that] their goods in the public estimation were regarded as equal to the imported articles.<sup>2</sup>

It seemed, at least to the manufacturers themselves, that they had deserved well of their fellow citizens and were entitled to their honour and thanks.

What higher order of merit can well be assigned to an individual than this of devoting time, skill and capital to founding a manufacturing establishment...which raises the character of the colony in the eyes of foreign nations, helps to develop and multiply its resources, expends large sums in the purchase of raw materials of various kinds, opens up a new and permanent sphere of employment for skilled workmen, distributes £300 to £400 weekly in wages, and gives a healthy stimulus to a score of industries[?].<sup>3</sup>

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1

Later the Chamber of Manufactures.

2

Australasian, 20 March 1880, p.373.

3

A.T.R., 14 February 1883, p.77.

Though Protection may have created a favourable setting, the manufacturer's success flowed from his own peculiar and personal qualities of 'energy and activity', his 'ability to take spirited advantage of opportunity', his 'inventiveness', and that kindness which inculcated a 'spirit of faithful attachment' among his employees.<sup>1</sup> The factory was his personal domain:

It was he who planned and superintended every detail of its construction, and who selected the plant, fittings and appliances, not only directing the operations of others, but often putting his own hands to the work, and this always to good purpose. His spirit seems to pervade the whole place....<sup>2</sup>

These component qualities were personified in such a man as John Buncle, the acknowledged model manufacturer of the early 'eighties.<sup>3</sup> Born in Edinburgh in 1823, Buncle was trained as a piano-maker and later, in Lancashire, as a practical engineer. For six years he was a designer at the Crewe locomotive workshops where he was also Secretary of the Mechanics' Institute.

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1

Ibid., 11 April 1883, p.18, 19 December 1883, p.843, 29 June 1885, p.433, 14 February 1883, p.77, (manufacturers' biographies).

2

Ibid., 17 January 1883, p.19.

3

'We know of no career more highly to be commended, and more worthy to be held up for imitation' (ibid., 25 October 1882). Also see A.G. Thompson, 'John Buncle' in A.D.B., Vol.III, p.295ff.

In 1852 he disembarked in Melbourne and secured employment, first as a pattern-maker, then as foreman, at the Langlands Foundry. During this time he discovered that

there were various works to be done which [his employers], in a large establishment cared little about, but which I, with a few tools and a knowledge of the business, could gather up a good business from....<sup>1</sup>

He seized the opportunity and, with two workmen, established the Parkside Ironworks in North Melbourne. Beginning with simple ploughs, he began to produce a variety of agricultural implements: 'All he made was strictly his own, and uncopied from other sources.'<sup>2</sup> He developed a malt and corn crusher, a 'bark disintegrator', a tobacco cutter, and a famous patent water carrier. At the Exhibitions of 1879 and 1880 Buncl's inventions were universally applauded; in Melbourne they were classed among the 'outstanding' colonial manufactures;<sup>3</sup> at Sydney he competed

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Evidence to the Royal Commission on the Tariff [hereafter R.C.T.], V.P.P., 50/1883, Qs.29236-7.

2

Australasian Manufacturer, May 1890 [hereafter cited as Manufacturer. This journal was published under the title The Manufacturer until 1889 when its proprietor and editor Arthur Woodhouse sold it to T. Rymer Thorne and Co., who changed the title to the Australian Manufacturer and appointed George Loyau as editor. Loyau in turn bought the paper in July 1890 but relinquished it in January 1891 to J. Gale Pottenger and Co.'s International Press Agency.]

3

Melbourne International Exhibition Official Record (Melbourne 1882), p.lxiv.

successfully against 'three shiploads' of the Americans' latest agricultural machinery.

A citizen of the United States had the temerity to wager £20 he would knock Buncle and his [chaff-cutting] machine into a cocked hat. 'But' Mr Buncle relates 'the American machine nearly burst up with the unwonted strain that had to be vainly put upon it, and the discontented Yankee retired from the contest.'<sup>1</sup>

By the early 'eighties the Parkside Ironworks employed over 100 men. The eight hours day was maintained and 'the comfort of the workmen [was] studied in every particular'.<sup>2</sup> But Buncle was a model, not the norm. The kind of personal expertise and management which he had practised was becoming increasingly rare.

Indeed, there was an increasing awareness that the old mutuality of interests supporting the Protectionist alliance between manufacturers and their men was disappearing. The Argus, for example, in an editorial on the Factory Act of 1885, observed

In all trades it would appear as if we were drifting to the union as the dominant power on the one hand, and the large mill owner with machinery, capital and credit behind him on the other, the working men becoming a caste and the employers a specialized class, while individuality is crushed out in the conflict. Machinery as a rule implies large establishments; the

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Argus, 11 October 1884, p.13A.

2

Manufacturer, May 1890, p.110.



unions insist that all men shall receive the same number of shillings per day, and regard as their bitterest enemy the men who seek to rise by working long hours, while the Legislature for its part is more and more invited and is more and more inclined to deal summarily with those who start in a little way and with small means, and are disposed to screw and scrape accordingly.<sup>1</sup>

And, from a different political viewpoint, W.E. Murphy, Secretary of the Trades Hall, explicitly contrasted conditions in the early 'eighties with those of earlier years. The general absence of unions in manufacturing industry during the 'sixties was, he suggested,

in some measure due no doubt to the good feeling which existed between employers and workmen in the mutual benefit that was to be derived in the establishment of industries which were designed to take the place of imported supplies. Workshops and factories on a small scale were to be observed springing up in all directions in which employer and workmen were actuated by sentiments which begot of the greatest cordiality and reciprocity. Those employers, for the most part, had sprung from the working class themselves, and the utmost familiarity prevailed between them and their employees, while the labour market could not supply in excess of the demand. While this state of affairs lasted, notwithstanding several attempts of various branches of labour to associate, very little progress [with unionism] was made. It was not until employers became capitalists, and the small tenement used as a workshop was replaced by a massive brick or stone manufactory with the

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Argus, 27 May 1885, p.4A.

adjuncts of first-class motive power, machinery, and a number of inspectors, foremen and apprentices, that the patient and hitherto contented workman could be at all impressed with the disparity which they helped to create between their employers and themselves....<sup>1</sup>

Each of the factors which, in these preceding accounts, are alleged to account for this transformation of industrial relations - changes in the scale, technology, ownership and regulation of factories and in the organization and attitudes of factory-workers - needs to be separately considered. Such elegant explanations are not always true to facts.

Over a period 1880 to 1890, Victorian manufacturing industry, taken as a whole, and measured by conventional numerical indicators, expanded considerably.<sup>2</sup> While the increase in employment fell short of that in such boom industries as building, it was nevertheless large in relation to its base (66 per cent increase 1880-1890). Furthermore, industry within the metropolis seems to have expanded at an even greater rate (79 per cent 1880-1890).<sup>3</sup> This overall increase, however, disguises

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Quoted John Norton, History of Capital and Labour (Melbourne 1888), pp.153-4. The elements of this account have become well-absorbed into Australian labour history; see, for example, Robin Gollan, Radical and Working Class Politics (Melbourne 1960), p.100.

2

N.G. Butlin, Investment in Australian Economic Development, p.203, 207-8.

3

I.e. employment within the municipal 'cities' of the metropolis rose from 21,765 to 38,966. (Statistical Register, 'Production', 1880, 1890.)

important variations between industry groups. Table 2.1 (below) presents statistics of the number of establishments and employees in four predominantly metropolitan industries.<sup>1</sup> These clearly reveal that, while some industries (metals and carriage-building) expanded spectacularly, others (clothing and boots and shoes) seem to have stagnated throughout the period. The first, it may be noted, were industries catering mainly to the demand for luxury and investment goods and, in large measure, were 'naturally' protected; the latter mainly produced goods of necessity with high, though relatively declining,<sup>2</sup> tariff protection. Thus expansion in manufacturing is closely connected with the changing pattern of domestic consumption.

Although manufacturing establishments and employment increased between 1880 and 1890, it does not appear that individual establishments became very much larger. The average number of employees per establishment increased from 23.6 (1880) to only 28.0 (1890).<sup>3</sup> Furthermore, among the four industries which

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These industries were selected because they were among the largest, best-documented and most distinctively-metropolitan industries. They represent several types of employment, technology, product and industrial location.

2

G.D. Patterson, The Tariff in the Australian Colonies 1856-1900 (Melbourne 1968), chapter 10.

3

Figures are for 'cities' of Melbourne. (Statistical Register, 'Production', 1880, 1890.)

TABLE 2.1 MANUFACTURING ESTABLISHMENTS and EMPLOYMENT - SELECTED TRADES, 1880 - 1895.<sup>1</sup>

|      | ESTABLISHMENTS |                 |                      |               | EMPLOYMENT |                 |                      |               |
|------|----------------|-----------------|----------------------|---------------|------------|-----------------|----------------------|---------------|
|      | CLOTHING       | BOOTS and SHOES | ENGINES and MACHINES | COACH, WAGGON | CLOTHING   | BOOTS and SHOES | ENGINES and MACHINES | COACH, WAGGON |
| 1880 | 63             | 105             | 77                   | 135           | 4378       | 3919            | 1811                 | 1380          |
| 1881 | 70             | 89              | 66                   | 146           | 5391       | 4013            | 2485                 | 1638          |
| 1882 | 83             | 90              | 61                   | 156           | 6155       | 3672            | 2472                 | 1819          |
| 1883 | 87             | 107             | 69                   | 162           | 5562       | 4088            | 2415                 | 2124          |
| 1884 | 86             | 94              | 145                  | 168           | 5317       | 4165            | 5312                 | 2204          |
| 1885 | 73             | 91              | 148                  | 174           | 4982       | 4100            | 5608                 | 2395          |
| 1886 | 72             | 92              | 154                  | 183           | 3656       | 3584            | 5699                 | 2407          |
| 1887 | 77             | 97              | 156                  | 195           | 4344       | 3886            | 6100                 | 2720          |
| 1888 | 73             | 96              | 162                  | 200           | 4078       | 3860            | 6865                 | 2950          |
| 1889 | 90             | 98              | 185                  | 209           | 5068       | 3719            | 8329                 | 2980          |
| 1890 | 105            | 92              | 190                  | 205           | 5536       | 3787            | 8019                 | 2781          |
| 1891 | 103            | 101             | 201                  | 219           | 4774       | 4109            | 6591                 | 2359          |
| 1892 | 93             | 87              | 180                  | 202           | 3330       | 3341            | 5091                 | 1968          |
| 1893 | 83             | 81              | 165                  | 196           | 4239       | 3307            | 4175                 | 1576          |
| 1894 | 87             | 90              | 158                  | 192           | 4781       | 3735            | 3945                 | 1475          |
| 1895 | 187            | 95              | 162                  | 185           | 7302       | 3921            | 4377                 | 1534          |

<sup>1</sup> Victorian Statistical Registers, 'Production'. Until 1894, these returns included all manufactories 'of an extensive character', those of an interesting or uncommon nature, and those where 'expensive machinery' was used. Thereafter they excluded establishments with less than four hands unless power was used.

we are mainly considering, metals industry establishments alone increased appreciably in size (see Table 2.2). Thus, it seems unlikely that there was any striking or general increase in the number of 'massive brick or stone manufactories'. On the other hand, statistics of average size may convey a misleading impression of the size of establishment in which most factory-employees worked. By 1889, about half of the employees in Victorian factories worked in establishments which employed more than 50 persons.<sup>1</sup> It is possible, of course, (though the evidence is slight) that industry was moving away from a predominance of medium establishments towards a fairly small number of very large establishments and a very large number of small establishments.

A similar pattern emerges from the statistics of mechanization (Table 2.2). Only in the metals industry did machine capital (£) per employee increase greatly. But such a ratio is a crude measure of mechanization. It is a guide to only one part of the problem we are considering, namely, the rising barrier presented by capital costs to the entry of new manufacturers from the ranks of their workmen. Its relevance to the factory as a working environment is more problematical. The introduction of a sewing machine (worth £6) may depress the status and skill of operatives much more than a lathe (worth, say, £100). The fact that the

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'Employés in Factories', V.P.P. C.11/1889.

TABLE 2.2 SIZE and MECHANIZATION of MANUFACTURING ESTABLISHMENTS - SELECTED TRADES,  
1880 - 1895.<sup>1</sup>

|      | MACHINE CAPITAL/EMPLOYEE (£) |                 |                      |               | EMPLOYEES per ESTABLISHMENT |                 |                      |               |
|------|------------------------------|-----------------|----------------------|---------------|-----------------------------|-----------------|----------------------|---------------|
|      | CLOTHING                     | BOOTS and SHOES | ENGINES and MACHINES | COACH, WAGGON | CLOTHING                    | BOOTS and SHOES | ENGINES and MACHINES | COACH, WAGGON |
| 1880 | 4.4                          | 10.2            | 88.0                 | 31.5          | 69.5                        | 37.3            | 23.5                 | 10.2          |
| 1881 | 4.2                          | 10.6            | 82.9                 | 35.1          | 77.0                        | 45.1            | 37.7                 | 11.2          |
| 1882 | 6.3                          | 12.4            | 83.3                 | 33.1          | 74.2                        | 40.8            | 40.5                 | 11.7          |
| 1883 | 5.9                          | 11.9            | 81.9                 | 36.9          | 63.9                        | 38.2            | 35.0                 | 13.1          |
| 1884 | 4.3                          | 13.7            | 81.3                 | 31.8          | 61.8                        | 44.3            | 36.6                 | 13.1          |
| 1885 | 5.6                          | 11.2            | 96.4                 | 28.3          | 68.3                        | 45.0            | 37.9                 | 13.8          |
| 1886 | 6.8                          | 11.8            | 96.6                 | 31.9          | 56.8                        | 39.0            | 37.0                 | 13.2          |
| 1887 | 6.3                          | 11.4            | 108.0                | 33.0          | 56.4                        | 40.1            | 39.1                 | 15.5          |
| 1888 | 6.7                          | 12.4            | 84.5                 | 29.4          | 55.9                        | 40.2            | 42.4                 | 14.8          |
| 1889 | 6.9                          | 14.3            | 88.3                 | 36.3          | 56.3                        | 37.9            | 45.0                 | 14.3          |
| 1890 | 5.9                          | 16.7            | 106.2                | 34.5          | 52.7                        | 41.2            | 42.2                 | 13.6          |
| 1891 | 6.2                          | 15.4            | 129.3                | 45.1          | 46.3                        | 40.7            | 32.8                 | 10.8          |
| 1892 | 8.4                          | 16.6            | 174.6                | 39.6          | 35.8                        | 38.4            | 28.3                 | 9.7           |
| 1893 | 6.0                          | 21.5            | 168.5                | 30.6          | 51.1                        | 40.8            | 25.3                 | 8.0           |
| 1894 | 3.4                          | 20.4            | 174.0                | 26.5          | 55.0                        | 41.5            | 25.0                 | 7.7           |
| 1895 | 3.4                          | 19.9            | 149.3                | 27.1          | 39.0                        | 41.3            | 27.0                 | 8.3           |

<sup>1</sup> Victorian Statistical Registers 'Production'

number of workshops and factories using gas or steam engines doubled in the period 1880-1895<sup>1</sup> is, for some purposes, a more important fact than the relative increase in horsepower or the value of capital equipment. All this makes it evident that statistical speculations are no substitute for a detailed consideration of actual changes in technology in the various manufacturing industries.

Mechanization, as it occurred during the 'eighties, appears to have been directed mainly to the manufacture of new products (i.e. to 'import-substitution') rather than to the economical production of commodities which had been hitherto manufactured within the colony by less sophisticated processes. It is notable that, in the first instance, there is less likelihood of an established group of competitors or resistant trade unions upsetting an entrepreneur's calculation of advantage; in the second, however, he may confidently embark upon investment only if he believes that innovation will substantially cheapen his product and that either demand for his product is elastic or he can increase his market share without a prohibitory risk of retaliation or 'cut-throat competition'.

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Statistical Registers, 'Production'. The percentage of clothing factories using machinery increased from 3.2 to 11.4, boot factories from 12.4 to 29.3, carriage factories from 8.1 to 15.1 and machine and engine factories from 63.2 to 82.1

These conditions may largely explain the contrasting patterns of investment in the metals and coachbuilding industries, on the one hand, and the clothing and bootmaking industries on the other.

The iron and engineering industry mainly specialized in products which were heavy and bulky, or purely local in application. Foundries, for example, were mainly engaged upon large, rough castings such as wheels, pipes and girders.<sup>1</sup> Engineers were principally concerned with railway, tramway, bridge and other construction works. The limitations of such a market therefore placed some restriction upon profitable mechanization:

In some cases our system of manufacture, which excludes piece-work and night-labour, makes it undesirable to adopt many appliances indispensable in older countries, where time and lowest possible cost of production are the first consideration. In other cases machines may be before their time, the particular class of speciality for which they are intended not being sufficiently developed here to make the industry payable....<sup>2</sup>

Machinery in Melbourne foundries and engineering shops was thus simple and versatile.

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It is noteworthy that fine castings were generally not attempted because local sands were said to be unsuitable. (V.P.P. 22/1890, p.11.)

2

Australasian Ironmonger [A.I.], 1 September 1890, p.266.



Nevertheless the peculiarly heightened conditions of demand in the late eighties did precipitate some new departures in the metals industry. Some foundrymen, whose city properties had appreciated during the boom years, used their gains to finance removal and reinvestment in new outer suburban establishments. (See Appendix I 'The Location of Manufacturing Industry'). Foundries began to experiment with steel, as well as iron manufacture. In 1887, a modified Bessemer converter was installed by Langlands, who brought skilled foundrymen from England to operate it. Later in the same year, Phillips McWalter and Chambers at their Victoria Steel Foundry were introducing steel castings as a substitute for brass and iron in cogs and small wheels. Two years later Phillips' son and two of his other employees established the Sheffield Steel Works in Brunswick and John Heskett and Sons imported a Siemens-Martin open hearth steel plant.<sup>1</sup> Mephan Ferguson and G. and C. Hoskins opened large new wrought iron plants and Langlands established a factory to make cast iron pipes.<sup>2</sup>

The new engineering works showed similar progress. In 1889 the Australasian Ironmonger noted that many of the 'large machine shops [had] supplied themselves with

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Ibid., 1 March 1887, pp.56-7, 1 October 1887, p.254, 1 October 1889, p.424, 1 April 1890, p.98, Manufacturer, October 1889, p.18.

2

A.I., 1 September 1886, p.120, 1 April 1888, p.111.

both plant and necessary patterns for turning out classes of work hitherto strange to the colony'.<sup>1</sup> They incorporated a wide range of steam and hydraulic equipment; new cranes and travellers, with a carrying capacity of up to 25 tons; drilling, planing, punching, slotting and rolling machines and steam hammers. Some of this equipment was actually manufactured in the colony; Gideon James, the leading toolmaker, delivered his 150th colonial steam hammer in 1889. The loosely-organized workshops of the 'sixties were giving way to modern factories, covering as much as 5-10 acres. Machines were used, not only to process materials, but to convey them through the factory. The Austral Otis factory, for example, incorporated a tramway down the centre of the fitting shop and Hoskins' new wrought iron pipe factory was one of several which had been so designed as 'to reduce the cost of hand labour as much as possible, all the lifting and handling appliances being quick in their action and driven by steam power'.<sup>2</sup>

Similar, though less pronounced conditions obtained in the carriage-building industry where, despite the persistence of the English tradition of hand-work, there was a growing interest in American methods of mechanical production. It was reported that

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1  
Ibid., 1 April 1889, p.175.

2  
Ibid., 1 March 1889, p.121, 1 January 1891, pp.13-14.

machines of various kinds are gradually finding their way into the shops. It is not so long ago since it was thought next to impossible to lighten much of the labour of the smith; but now good drilling, screwing, punching and welding machines are by no means uncommon wherever two or three fires are kept.<sup>1</sup>

In the wood-working departments, machinery made less progress, although here, too, band-saws, and spoke-tongueing and boring machines were common. The few factories - like Pickle's, Daniel White's and Stickland's - which used gas or steam engines, were able, through the use of planing, carving and sanding machines and circular saws, 'to effect an astounding reduction in the cost of production'.<sup>2</sup> Two factories specializing in wheels were probably the most highly mechanized of all.<sup>3</sup>

For most of the 'eighties, boot manufacturing was in a slump. Towards the end of the decade, however, there were signs both of a revival in demand and a renewed interest in mechanization.

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<sup>1</sup> Australasian Coachbuilder and Saddler, 10 July 1891, p.45.

<sup>2</sup> Ibid., 10 June 1891, p.35, 10 July 1890, p.50, 10 April 1890, pp.9-10, 10 August 1890, pp.63-4, 10 May 1890, p.19, Manufacturer, August 1887, p.11, Alexander Sutherland, op.cit., vol.II, p.615.

<sup>3</sup> Australasian Coachbuilder and Saddler, 10 June 1891, p.39, 10 October 1891, p.95.

Many employers [noted a Factory Inspector] are building factories of their own, in nearly all of which motive power is used. This is not only a great saving to the masters, but a great boon to the machinists (female).<sup>1</sup>

The application of power to sewing machines<sup>2</sup> was the principal innovation but some of the larger factories<sup>3</sup> were now using cutting presses, blocking machines and other devices.

The clothing industry was also said to be tending towards larger units. The Argus, for example, noted

the retirement lately of some of the smaller firms in Melbourne, while the big firms are rapidly becoming more and more like merchant princes, building larger premises, importing additional plant and filling the 'wanted' columns with advertisements for hands.<sup>4</sup>

Some of the larger factories (e.g. Banks', and the Phoenix Factory)<sup>5</sup> had imported steam-driven cutting

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Inspector Ellis, V.P.P., 30/1889, p.8.

2

Ibid., and Michaelis Hallenstein to George Hallenstein, 25 September 1889, p.46 (A.N.U., Archives).

3

A.I., 1 December 1888, p.472, Sutherland (ed.), op.cit., vol.II, pp.623, 626. The account in J. Norton, op.cit., pp.340-3, seems to over-estimate the amount of technical innovation, at least in Melbourne, at this time.

4

18 April 1885, p.13C.

5

Sutherland (ed.), op.cit., vol.II, pp.592, 616; evidence to R.C.T., of Parry (Q.2118), Barthold (Q.2744), Beath Schliess (Q.2964), McIvor and Lincoln (Q.3094).

machines and employed 200-300 men. Some softgoods merchants also opened large clothing factories; nevertheless the small workshop, with treadle sewing machines, remained the normal establishment throughout our period.

Mechanization and increasing capital costs may have influenced the structure and temper of industrial relations in two ways. First, they may have acted upon manufacturers to increase their need of outside capital assistance and change their role from that of a 'master-craftsman' to that of a manager of capital and manpower. Secondly, they may have acted upon factory-workers to reduce their opportunities for advancement, depress levels of skill, and impose a rigid, self-regulating work-discipline. These hypotheses deserve closer examination.

In some of the large and highly capitalised firms, old manufacturers relinquished the actual conduct of business to managers, sometimes to their sons. Even while the old proprietor remained manager of the firm, however, he sometimes enlisted the aid of 'outside' capital. Some manufacturing firms - notably in the carriage-building and metals industries - were converted into limited liability companies in the late eighties.<sup>1</sup> Moreover, as we have seen, a number of merchants were now extending their interests in manufacturing.<sup>2</sup> An admission by David Alston, a

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Carriage-building: Daniel White, G.F. Pickles, Helminde Carriage Factory, Samuel Burston, Australian Wheel Company. Metals: Robinson Bros, Victorian Steel Foundry, Campbell, Sloss and McCann (from Victorian Government Gazette and V.P.P., C.7/1888).

2

See above chapter I.

leather manufacturer, that he was simply a capitalist without any technical expertise was regarded as exceptional by the Tariff Commissioners of 1883;<sup>1</sup> by the late 'eighties, however, such arrangements were common, if not yet the rule. There were growing signs, too, that manufacturers were assuming a more elevated social status; one indication was the number who forsook their old homes beside the factory for the suburban delights of Hawthorn and Armadale.<sup>2</sup> Age, too, no doubt separated them from their younger employees and helped to create 'a sense of disparity'.

The gradual infiltration of independent capitalists, or 'associated manufacturers' as they came to be called, first emerged as a contentious issue in the Chamber of Manufactures in 1887 when certain members objected to the nominations of George Godfrey, a solicitor, and Nathaniel Levi, a clothing retailer, to executive positions. Godfrey was chairman of a brick company and hat manufacturing company and had substantial investments in each;<sup>3</sup> Levi had recently extended his interests into clothing manufacture. Objecting to their nominations, Daniel White, a pioneer carriage-builder said he was

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R.C.T., Q.15431.

2

From Melbourne Directories.

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He later claimed to have lost £10,000 in the hat manufacturing venture (Manufacturer, March 1890, p.81).

very sorry to have to oppose his old friend Mr Levi; he was, however, one who believed in supporting the old men - the men who supported them in their infancy days. He was also sorry to oppose Mr Godfrey, as he was a first class man, but he opposed him because he was not a thorough-going manufacturer....Mr Godfrey was a very successful lawyer and simply held his position in that Chamber as chairman of a brick company.<sup>1</sup>

The question of members who were not 'actual manufacturers' again arose a year later, and in April 1889 two manufacturers agents - Grondona and J.S. Butters - declined nomination rather than offend the 'bona fide manufacturers'.<sup>2</sup> The latter, however, were at a disadvantage to the 'associated manufacturers' who could bring greater time and influence to the Chamber's affairs. In 1889 subscriptions were raised from 1 gn to 2 gns. Opponents of the move claimed, probably with justification, that ordinary manufacturers would 'look well at £2.2.0'; the raised fee would merely confirm a widespread impression that the Chamber was 'a clique'. In 1890, two of the practical men - A.E. Peirce, a manufacturer of horticultural implements and J.W. Brown, a boot manufacturer - called for a special meeting 'to consider the propriety of requesting certain members to resign'. They deplored the intrusion of independent capitalists under whose influence the Chamber had turned from practical, bread-and-butter issues to frivolous 'visits to manufactories and drinking of

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<sup>1</sup> Manufacturer, August 1887, p.5.

<sup>2</sup> Ibid., September 1888, p.118, April 1889, p.5.

champagne thereat'. Godfrey and Butters, who were clearly implied, claimed that their interests, backed by large capital, were identical with those of the practical manufacturers. The motion to exclude them was defeated, and Brown and Peirce resigned in pique.<sup>1</sup> By 1891 the capitalists had effectively supplanted the 'bona fide manufacturers' as the official spokesmen of the industry. The Manufacturer acknowledged that 'many of [the Council's] members are manufacturers only in name, and some not at all. It is an open secret that for this reason...many members held aloof altogether'.<sup>2</sup> Only about a third of the city's manufacturers were members of the Chamber, and of these 270-300 members no more than 30-40 were active in the Chamber's affairs.<sup>3</sup> Thus, although the men of capital effectively controlled the Chamber, it does not follow that they dominated manufacturing industry.

It had been an article of faith among Melbourne's manufacturers, and among many of their men, that an artisan with some 'economy and skill'<sup>4</sup> could attain to leadership and fair affluence in his trade. This belief was especially strong in bootmaking where the actual incidence of employees rising to independence was said to be especially high. Most of the established

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1

Ibid., March 1890, pp.76, 80-1.

2

Ibid., May 1891, p.46 (editorial).

3

Chamber of Manufactures, Annual Reports (lists of members).

4

W.E. Murphy, quoted J. Norton, op.cit., p.166.



manufacturers<sup>1</sup> had been gold rush immigrants whose fortunes had sprung from small capital and improvised equipment. As late as 1957, an octogenarian bootmaker was proud to recall 'fully 50 names of Bedggood men who had rose up'.<sup>2</sup> Members of the Bootmakers Union warmly congratulated their fellows who were promoted to foreman or became proprietors.<sup>3</sup>

A similar, and visible, tradition prevailed in the metals industry where most iron masters had 'graduated' from one or other of three old-established Melbourne foundries and engineering shops. R.R. Park, Brook, Phillips, Catherall and David Watson had all been employed by Langlands; Bertram, Dangerfield, Scott and Glover had all worked for Fultons; Gideon James, George Young and Robert Bruce were all former employees of Enoch Chambers.<sup>4</sup> The work-discipline exercised in

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E.g., Hurst, Yager, Parsons (Alexander Sutherland (ed), op.cit., vol.II, pp.606, 626,615.)

2

Arthur Rowlston to Horace Bedggood, 14 May 1957, in Bedggood Papers (A.N.U., Archives). The letters of 'Arthur W. Rowlston Protectionist' who was born, as he puts it, 'in the boot trade Jan. 27 1877' provide interesting material on the psychological tension between the twin themes of Protection: that of independence and self-improvement and that of dependence upon 'protection' from hostile, and especially foreign, competition.

3

Victorian Operative Bootmakers' Union [hereafter V.O.B.U.] Minutes, 7 May 1883, pp.71-2, 28 July 1884, p:177 (in A.N.U. Archives).

4

From biographies in Sutherland (ed) op.cit., vol.II, pp.590ff. Also see A.T.R., 17 January 1885, p.26.

the boot and clothing industries through the piece-work system was largely self-regulating; in engineering shops and iron foundries, however, only skilled and experienced foremen and managers could ensure efficient working. Thus, in the metals industry, the barriers erected against the aspiring journeyman by high capital costs were reduced, in some measure, by the indispensability of technical skill in management. Several of the masters mentioned above had trained in England and emigrated during the 'fifties but only attained to independence in the 'seventies or 'eighties.

Yet, even while these traditions persisted, the conditions which nourished them were probably disappearing. The capital resources required for a competitive factory were increasing,<sup>1</sup> and the number of potential candidates for the entrepreneur's role was similarly larger. Nevertheless, even as late as 1889, there were still many tradesmen prepared to risk their small fortunes for the promise of independence:

The love of independence, and of being in business on one's own account, would appear to be very strong, and, as a consequence work rooms requiring registration

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See above. It is difficult to discover what means were available to would-be manufacturers for obtaining financial assistance. Some were backed by merchants whom they supplied (R.C.T., Q.1183); others received loans from building societies. (See loan applications to Modern Permanent Building Society, e.g., nos 3396, 3508A, 4348, 5661, 6051.) In general, however, evidence is sketchy.

[under the Factory Act] spring up like mushrooms, but after a few months have to be closed again....<sup>1</sup>

In this year, the first for which statistics are available, there was approximately a ten per cent annual turnover of registered workshops.<sup>2</sup> In 1890 the average number of employees in newly-registered factories and workshops was 7.8; the average for establishments closing in that year was 9.9; the average of all establishments was 19.8. Though the evidence is inconclusive, one's impression is of large, stable establishments being unsuccessfully challenged by a stream of small, under-capitalized newcomers.

Changes in the scale and technology of factories were alleged to have affected, not only the status and recruitment of manufacturers, but the skills and work-disciplines of their men. One of the several bonds between masters and men in the 'infant industries' of the early 'sixties was their common membership of a trade or craft. Although they did not always maintain its traditions or language, the craft nevertheless constituted, for the master, a guarantee of skill, to the man, a mode of access. Furthermore, the maintenance of skilled workmanship was taken as the very rationale of Protection. Witnesses before the Royal Commission

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1

Factory Inspector's Report 1889, V.P.P., 22/1890, p.8.

2

Ibid., Appendix C.

on the Tariff (1883) were led to 'admit that if you have a protective policy in this country, that should necessitate the employment of lads to fit them to become good tradesmen'.<sup>1</sup> Yet, by the 'eighties, the soundness of that policy was belied by its fruits. Protection had not ensured the transmission of skill or tradesmanship.

The decline of craftsmanship, though apparent in most trades, was more evident in some than in others, and the conditions promoting it were likewise various and complex. It was sometimes seen as a direct consequence of mechanization:

Modern appliances are supplanting ancient contrivances? - Yes, but it is to the detriment of the journeyman.

You find, as a matter of fact, with improved appliances and machinery that, like the clothing branches, one boy does something at tobacco and another something at cigars, and they classify it in bits and that does not teach them the trade thoroughly? - Yes.<sup>2</sup>

In the cigar trade, of which the witness was speaking, this was especially true;<sup>3</sup> yet it was certainly not true in any obvious way, for those industries which were most heavily endowed with machine capital, like engineering shops or iron foundries, were probably

<sup>1</sup>

R.C.T., Q.27155.

<sup>2</sup>

R.C.F.A., Qs.4691-2 (evidence of P. Edersham).

<sup>3</sup>

See description of Australian Tobacco Factory, A.T.R., 22 November 1882, p.639.

most immune from the decay of tradesmanship,<sup>1</sup> while that which had the lowest machine capital/labour ratios - the clothing industry - was probably the worst affected. Yet this, perhaps, is an illusion produced by the use of a crude index of mechanization.

In nearly all of Melbourne's industries the term 'apprentice' was retained, although in many its correlates - 'journeyman', 'indentures', 'premium' - had fallen into disuse. The nearest approach to a formal system of apprenticeship was in the metals industry. Here it was common for a boy to undertake a period of seven years' training, although the average was closer to five.<sup>2</sup> A few masters arranged written indentures because they believed it strengthened their authority and minimized the 'inconvenience' of boys moving away before their time was up. Most, however, preferred to accept that risk rather than the burden of an unteachable apprentice;<sup>3</sup> they accordingly arranged only informal agreements, voidable by either party. Premiums were commonly paid, principally because metal working trades were skilled and lucrative, but also because

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There is one exception: in 1889 iron moulders struck against the introduction of machinery in a Brunswick shop (A.I., 1 January 1890, p.2.)

2

R.C.T., Qs.19615-7, 19949-56, 20111-5, 24818-20, 25122-25, 25638-43, 27068-71, 27512, 28228-35, 28762, 29162-7.

3

Ibid., Q.27096, 219.

it afforded a means of selecting applicants and some small remuneration.<sup>1</sup> Apprentices' wages were graduated from almost nothing at commencement to a sum (about £1 - 25/-) which still fell short of a journeyman's wage (£2 - £2.10.0) in the final year.

By contrast, in the clothing industry scarcely any of the essential features of an apprenticeship system were retained. The period of training was exceedingly short. One old hand looked upon a former employer who insisted on 12 months' training as a model;<sup>2</sup> in most workrooms girls were 'apprenticed' no more than a few months.

Matters are arranged in this way. A woman is placed in charge of a table, which must turn out so much, and to do this she is assisted by a number of apprentices.

How many? - Sometimes eight, or nine or ten.

Those girls are taught their business, and receive 2s.6d., or 5s., a week? - Well, they are taught to some, and paid, as I have stated, for six months, when they are put on piece-work - removed from the table, and a fresh lot engaged in their place.

Who teaches the apprentices their work? - There is no time for teaching them properly. A certain amount of work must be done, and I am placed over those girls to make them work.<sup>3</sup>

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<sup>1</sup> Ibid., Qs.14790, 25122, 25158, 26564.

<sup>2</sup> Evidence of Mrs A. to Royal Commission on the Factory Act [R.C.F.A.], V.P.P., 18/1884, Qs.4301, 4313, 4324.

<sup>3</sup> Ibid., Qs.4306-9. For similar evidence see reports of Mrs Creswell and Mrs Graham to Intercolonial Trade Union Congress - Official Report, pp.100-1.

In some places the girl was employed by the woman in charge of the table.<sup>1</sup> In almost every case, she was taught only a particular task - trouser-making, jacket-making, seaming - and not the whole trade. There were some variations on this system - particularly, of course, in the bespoke trade - but essentially it obtained throughout the clothing industry. Conditions in the boot industry were similar, if not quite so pronounced. Here, too, formal apprenticeship was rare, although there was usually a longer period on a fixed weekly wage before piece-work commenced. The apprentice was not 'taught to turn out a boot from beginning to end' but was 'confined to a special part of the work'.<sup>2</sup> One witness before the Tariff Commission asserted that

in nine cases out of ten, unless a boy is remarkably smart, and applies very diligently to his business under the system adopted, in some places I could mention, it is impossible for him to become a tradesman.<sup>3</sup>

The general account of apprenticeship presented here is based mainly upon the evidence of masters and men to government enquiries in the early 'eighties. Whether the investigators were concerned with factory

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1

John Parry to R.C.T., Q.2121 and Miss H. of Cohen and Lyons R.C.F.A., Q.4605.

2

Andrew Barry to R.C.T., Q.11952.

3

W.A. Trenwith to R.C.T., Q.11886.

and shop conditions or with tariff matters, the state of trade-training was a matter of significance, and hence of controversy. Although there was fair agreement upon the extent of trade training, (or the want of it), witnesses were far less united on the reasons which they advanced for its shortcomings. On one hand, trade unionists claimed that employers simply used the restrictions of the apprenticeship system - the fixed period of indentures and low pay - as a means of obtaining labour at less than the market rate. They interpreted the absence of formal articles as a device by which the employer could dismiss an 'apprentice' when he found a substitute at a lower wage, or when demand slackened. As a result, the apprentice, conventionally portrayed as an innocent villager, was shortly thrown upon the streets or into a larrikin gang.<sup>1</sup> Employers, on the other hand, presented the absence of formal articles as a concession to 'the spirit of freedom' which was said to mark the young colonials: 'They want to run away. They will not give their minds to it....The generality of them do not like to be bound; they like to be free.'<sup>2</sup> This view was later endorsed by Factory Inspectors who pointed to some of the external conditions which made them reluctant to be apprenticed:

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1

James Munro, R.C.F.A., Q.4281, Wilson, *ibid.*, Q.3963.

2

William Evans, R.C.T., Qs.26307-8. Also see Q.11978, 25701, 25744, 26300-8.



Boys are far too independent - they will only take work when they like, where they like, and how they like....They go from factory to factory just as they feel inclined, or become messengers, office-boys, street-cleaners, newspaper sellers, telegraph boys, etc. etc.<sup>1</sup>

For a young man, boom-time Melbourne offered a variety of attractive alternatives to factory employment. But the restlessness, the sense of scarcely-suppressed disorder which runs through most comment on young Melbourne factory workers (including, for example, Edward Dyson's Fact'ry 'And's)<sup>2</sup> was also a reaction to the factory environment itself: the sheer, unyielding monotony and fatigue of piece-work, the boredom of an endlessly-repeated operation, the noise and smell of machinery, the heat under tin roofs in mid-summer....<sup>3</sup> The extent to which such reactions were, specifically, to the mechanization of industry is more difficult to determine: sometimes, as we have seen, machinery

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Factory Inspector's Report 1889, V.P.P.22/1890, p.5 and 1888, V.P.P., 30/1889, p.5.

2

Dyson worked for a time in a Melbourne factory during the early eighties (see article in Australian Encyclopedia); the 'machinery' of his stories was 'the outcome of experience in [this] one establishment' (Fact'ry 'And's, 1906, p.vii). The main theme of the stories is the contest of order (Mr Spats and the foreman) and anarchy (the hands). For a good example see chapter XII 'Introducing Machinery'.

3

E.g., description of Miller's Rope Works, Argus, 25 July 1885, p.13F. 'The allotted task must be done, there must be no flagging. For, as the manager says, "You must not think we could afford to keep power supplied to let the hands play with as they like"'.

mitigated the physical exertions of the factory-worker; as often, however, it reinforced (even if it did not institute) a rigid, unremitting work-discipline.

Many of those features which emerged as 'evils' in the early 'eighties, however, had begun as arrangements mutually satisfactory to both employers and employees. The 'outwork system', for example, enabled women to arrange work in accordance with their family responsibilities, state of health or whim while saving the proprietor the cost of providing factory accommodation.<sup>1</sup> The piece-work system, even in the mid-eighties, was accepted by bootmakers as a guarantee of their 'Independence'<sup>2</sup> and a reward for individual effort; to their employers it was a simple method of regulating costs and work-discipline. By the early 'eighties, however, the fundamental mutuality of interests upon which these arrangements were founded was giving way - especially in some smaller establishments - to a one-sided system of exploitation. The Factory Act of 1885<sup>3</sup> failed to touch the most

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For a full account of the outwork system see E.C. Fry, 'Outwork in the Eighties' University Studies in History and Economics, vol.11, no.4, July 1956, pp.77-93.

2

V.O.B.U. Minutes, 14 July 1884, p.174.

3

For an account of this legislation and its antecedents see E.C. Fry, 'The Condition of the Urban Wage-Earning Class in Australia in the 1880s', Ph.D. thesis, A.N.U., 1956, chapter IV.

notorious evils ('sweating' and the decay of apprenticeship) or the worst offenders; paradoxically, it may even have had the opposite effect of reducing previously-benevolent manufacturers to an observance of only the minimal requirements of the law. Some years later one employer reflected that

the feeling between the employer and the employé is much worse than it used to be; the good old feeling - the old spirit - has gone out, and as an employer I feel now that I have no responsibility in them ....My feeling now is, that as the law has taken over the responsibility of their well-being, and told me how few or how many hours they shall work, and what they shall get paid, I am relieved of any responsibility.<sup>1</sup>

But the development of such sentiments proceeded only slowly; in the meantime, employers - and their men - were reluctant to concede the passing of the old Protectionist alliance. The appeal to a supposed mutuality of interests was still revived, albeit negatively.<sup>2</sup> On the provisions of the new Factory Bill (1884) to limit hours of employment, the

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1

V. Stooke to Royal Commission on the Factory Act, V.P.P., 31/1902-3, Q.222.

2

Cf. Robin Gollan, Radical and Working Class Politics (Melbourne 1960), p.100, 'In the eighties more of [the Manufacturers] were finding their level in the upper ranks of society, and while not denying their former assumptions on the identity of interest between workers and masters, finding more frequently in practice that their interests were in conflict'.

Chamber of Manufactures warned lest laws were introduced which would disable the employer

as any such must recoil upon the heads of the employed in as much as if any employer should be obliged thereby to close his factory or undertake less work therein, the hands employed by him would either have to leave or to be reduced in number.<sup>1</sup>

Though the employers could not plausibly assure their workmen that a resumption of assisted immigration could actually help them, they at least attempted to demonstrate that it would do them no harm.<sup>2</sup> And even in the face of the Bootmakers Strike of 1884-5 - a most evident assertion of divergent interests - the President of the Chamber reminded workmen 'that whatever cripples capital or makes it unsafe has a tendency to reduce wages'.<sup>3</sup>

But although they tried to humour their old craft allies, the manufacturers were increasingly drawn towards a rapprochement with other men of capital, notably their old antagonists in the mercantile community. The Chambers of Commerce and Manufactures were anxious to 'dispel the idea entertained by some outsiders that the two Chambers were antagonistic'.<sup>4</sup>

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1

Chamber of Manufactures, Annual Report (1885), Section 4.

2

E.g., David Munro in Presidential Address to Chamber of Manufactures, Annual Report (1882), pp.13-14 and J.B. Whitty in *ibid.*, (1883), p.14.

3

Robert Caldwell in *ibid.*, (1885), p.19.

4

*Ibid.*, (1882), pp.8, 10.

On that once-vexed question - the tariff - merchants and manufacturers were finding broad agreement. In the early 'eighties, the other Australian colonies - with the exception of New South Wales - were following in Victoria's 'wake', by erecting higher, and sometimes protective, tariffs.<sup>1</sup> Both manufacturers, fearing for their intercolonial export trade, and merchants, concerned to maintain Melbourne's dominance over the re-export trade, found a common interest in the reduction of intercolonial tariff barriers.<sup>2</sup> The Chamber of Commerce actively promoted a series of 'reciprocity treaties' between Victoria and Tasmania,<sup>3</sup> Fiji<sup>4</sup> and Queensland.<sup>5</sup> But none of these schemes was adopted. 'Intercolonial freetrade' was too easily construed, by other colonies, as a vehicle for Victorian

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1

G.D. Patterson, The Tariff in the Australian Colonies 1856-1900 (Melbourne 1969), chapter 10.

2

See chapter 1 and, on manufacturers' fears, Derham to Swallow, 21 September 1885, p.3.

3

Argus, 22 September 1885, p.6D, 29 September 1885, p.5D. Derham to Swallow, 12 October 1885, p.13.

4

Derham to Swallow, 11 October 1886, p.167, cf. Manufacturer, November 1887, p.51.

5

Chamber of Manufactures, Annual Report (1887), p.4 and Derham to Swallow 12 July 1886, p.113, 7 August 1886, p.127; 16 August 1886, p.133, 6 December 1886, p.190.

imperialism,<sup>1</sup> by manufacturing employees, as 'a violation of the principles of protection'.<sup>2</sup> Thus the manufacturers' entente with the merchants was purchased at some cost to the old Protectionist alliance.

But, like his master, the factory worker was also becoming aware of new, and sometimes opposed, interests. Yet, as with the manufacturers, this awareness came

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Reciprocity treaties were usually presented as a first step towards the federation of the Australian colonies. Emanuel Steinfeldt (see biographical sketch, Manufacturer, December 1889, pp.40-2) who was probably their leading advocate, was given to reflection upon 'the struggles, the sacrifices, and bloodshed of my beloved fatherland caused entirely through disunion amongst its people' and believed that Australia was then 'similarly situated to what Germany was (sic) prior to her adoption of the Zollverein'. (Ibid., November 1888, p.154.) But he was also an enthusiastic supporter of a Victorian presence in the South Pacific (ibid., June 1889, p.6, September 1890, p.8) and his scheme of economic federation seems to have been designed, or at least expected, to secure a hegemony of Victorian manufacturing interests over the rest of Australasia. Other colonies, especially New South Wales, evinced a natural fear that the policy simply disguised a plot by which Victoria could 'fatten into prosperity' at their expense (ibid., October 1887, p.41). The N.S.W. Chamber refused to send a delegation to the Intercolonial Freetrade Conference of 1888 (J.C., 16 November 1888, p.7A, Manufacturer, November 1888, p.149).

2

Trades Hall Council, Minutes. (Microfilm A.N.U., Archives), 4 September 1885, p.155; 18 September 1885, p.166.

only gradually.<sup>1</sup> The period from 1879 to 1885 saw the affiliation of over 40 new unions to the Trades Hall Council, many of them from factory employments.<sup>2</sup> They included societies of tailoresses, bootmakers, coachbuilders, wheelwrights and furniture-makers. This new unionism, it may be observed, seems to have flourished, less in the expanding, capital-intensive industries, like engineering (which was dominated by craft attitudes and unions), than in the relatively under-capitalised, stagnant industries like clothing and bootmaking. The objectives and methods of these new unions are best illustrated by their prototype: the Victorian Operative Bootmakers Union (1879). The Union's aims, on the whole, were conservative or 'protective':<sup>3</sup> the preservation of the apprenticeship

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Often, during the 'eighties, manufacturers and men continued to appear as joint deputations on questions relating to tariffs against the 'outside world'.

2

June Philipp, 'Trade Union Organization in New South Wales and Victoria 1870-1890', M.A. Thesis, Melbourne, 1953, pp.44-6.

3

Sir Keith Hancock has noted the psychological overtones of 'Protection' (op.cit., p.77). Though its strictest application was to tariff questions, it was also used in quite different contexts: Trenwith, for example, espoused the view that 'the weak ought to be protected against the strong' (Argus, 24 August 1885, p.10H, emphasis mine); both Labourers and Cabmen had 'Protective unions'; the latter, for example, argued that tramways 'would be the means of greatly damaging the solid foundation of protection which has in this Colony become a household word....' (Melbourne and Suburban Cabman's Protective Union to Victorian Operative Bricklayers Society, 9 February 1881 (A.N.U. Archives)).

system, the maintenance of the 8 hours principle, the exclusion of foreign goods and workmen, uniform piece-rates, and the abolition of outwork (which was portrayed as a recent and harmful innovation).<sup>1</sup> Similar concerns were evident in the activities of the United Furniture Trades Society which also had strong anti-Chinese policies.<sup>2</sup> The methods and organization of these new unions, however, were new and radical: they called for the building of an elaborate network of branches in every shop and throughout the colony, federal connections with other colonies, paid permanent officials, and wide powers 'to use all means for the moral, social and political advancement of its members'.<sup>3</sup> The new unions were primarily trade societies; benefit functions were subsidiary and, in the case of the Bootmakers, a later development.

The organizational success of the Bootmakers must be largely attributed to the leadership of their founder, W.A. Trenwith. From 1879 until his resignation in 1885, Trenwith and his followers shared

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1

Victorian Operative Bootmakers' Society [V.O.B.U.] 'Objects of the Society' in Minutes T5/1/1 (A.N.U. Archives).

2

United Furniture Trades Society [U.F.T.S.] Minutes, 21 August 1884, 4 September 1884, 16 October 1884, 30 October 1884. (A.N.U. Archives).

3

Ibid., (the employment of permanent officials did not take place till 1882. Minutes, 8 May 1882).



a relationship which can only be compared to that of an imperious prima donna and her soothing, dependent manager. In 1883 he seems to have been in financial straits, for the Union called a meeting to tender thanks to its leader and present him with a £50 testimonial. Trenwith, however, declared that the small attendance was an insult and threatened to resign. At the next meeting he 'apologized for his heated temper', but when the testimonial was ruled contrary to the society's rules, he 'informed the Union that he would not insult them by taking £50.0.0, adding that it averaged something about 9d per member'.<sup>1</sup> Such outbursts were not rare; neither were the Union's flustered attempts to humour and support him. Yet Trenwith brought outstanding organizational and oratorical gifts to the Union. Leader and led shared something of that sense of mutual dependence which had been the genius of the old Protectionist alliance. When Trenwith was sued for libel in 1884, the Chairman of the Bootmakers, varying an old phrase, called upon members to support him, as 'their interests [sic] was Mr Trenwith's and vice versa'.<sup>2</sup>

By the early 'eighties there had been an important redefinition of the relations of masters and men; they

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1

Ibid., 10 September 1883, pp.119-20, 17 December 1883, pp.121-2.

2

Ibid., 28 January 1884, p.129.

had entered the first phase of a kind of bargaining relationship. 'Past experience had taught us [the unionists] that we must not expect any concessions from the manufacturers as a whole unless we were prepared to demand them'.<sup>1</sup> It fell short of a strict bargaining relationship in that the men still believed that, if they demanded concessions which the employer could make, he would grant them. Much of their activity at this stage consisted of bringing breaches of agreements or cases of wage-reduction to the attention of employers; there was still some confidence that employers would act to correct them.<sup>2</sup>

In 1882, however, the Tailoresses, perhaps the most deprived section of factory workers, successfully struck for better wages and hours.<sup>3</sup> Probably encouraged by their success, the Bootmakers Union in January 1883, determined to 'take some definite action to obtain the object for which it was organized' (sic).<sup>4</sup> Preparations were made carefully and deliberately: there was, firstly, a drive for new

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1

W.A. Trenwith in J. Norton, op.cit., p.161.

2

'Vigilance' activities of U.F.T.S. Minutes, 21 August, 4 September 1884 and V.O.B.U., requests on wage reductions, Minutes, 5 September 1882, p.26, 11 December 1882, p.40.

3

J.T. Sutcliffe, A History of Trade Unionism in Australia (Melbourne 1967 reprint), p.55.

4

V.O.B.U. Minutes, 22 January 1883, p.48.

members; the Union's demands were set out in the form of resolutions; a letter was sent to the Masters' Association calling upon them to meet representatives of the Union in conference; finally, if the Union's demands were not substantially conceded, its members threatened to stike work.<sup>1</sup> The use of the strike-threat implied that there was no longer a substantial community of interests between manufacturers and men; indeed it assumed that, in most respects, their interests would be opposed. Variations on this technique of negotiation were to be used by most industrial unions during the eighties; by, for example, the Furniture Trades (1886-8), the Ironworkers Assistants (1886), the Printers (1887) and the Ironmoulders (1888).<sup>2</sup>

The application of these methods met with varying success. The Printers and Furniture trades, whose demands were pressed at times of peak demand, made notable gains. The latter, for example, secured new minimum conditions of apprenticeship, the regulation of improvers and higher wages. But not

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Ibid., 28 January 1883, p.51, 12 February 1883, p.55, 19 February 1883, pp.58-9, 6 March 1883, p.61.

2

U.F.T.S. Minutes, March-June 1886, July-September 1888, November-December 1889; J.C., 28 August 1886, 4B, 6 September 1886, p.3B; R.T. Fitzgerald, The Printers of Melbourne, The History of a Union (Melbourne 1967), p.61; Factory Inspector's Report, V.P.P., 30/1889, p.8.

all unions were so fortunate. From the time of the Bootmakers Strike (or lock-out) of 1884-5, it was apparent that employers could, and would, conduct themselves with similar unity and resolution. That conflict is significant, not primarily as a demonstration of the organizational powers of the Union<sup>1</sup> or of the Trades Hall Council,<sup>2</sup> but as a determined, and largely successful attempt by the employers to arrest, and perhaps even retrieve, the progressive gains of the Union over the previous two or three years.<sup>3</sup> The result was not merely that

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1

J.T. Sutcliffe, *op.cit.*, p.56.

2

Robin Gollan, *op.cit.*, p.90.

3

There are at least three secondary accounts of the 'Bootmakers Strike' of 1884-5. Those of Sutcliffe (*op.cit.*, pp.56-8) and Gollan (*op.cit.*, pp.90-1) draw attention mainly to its significance in relation to union organization, mechanisms of negotiation (especially conciliation) and public opinion on 'sweating'. T.A. Coghlan (Labour and Industry in Australia, Oxford 1918, vol.III, pp.1486-7) emphasises its place in the context of the political debate on factory legislation; it was, he affirms, 'intended to influence the discussions [of the Factory Bill] in Parliament'. However there is nothing, at least in the Union's records, to support his view. All these writers, but especially Gollan and Sutcliffe, seem to have relied substantially upon the account, which is a composite of W.A. Trenwith's contemporary apologia and W.E. Murphy's recollections, in John Norton, The History of Capital and Labour (Sydney 1888), pp.158-165. Trenwith's account of the events leading up to the strike is corroborated, in the main, by the Union's Minutes (A.N.U. Archives).

(footnote continued on p.108)

the Union failed to achieve its object - the alleviation of 'out work' - but that, in the process, it actually lost the right to send its officials into shops and to conduct negotiations on behalf of its members.<sup>1</sup> The success of the Boot Manufacturers may well have encouraged other employers, for example the Ironmasters, to resist the demands of their employees. Henceforward it was recognized, on both sides, that concessions were to be made only when the costs of resistance outweighed the probable gains. For the old doctrines of Protection, were substituted those of self-defence.

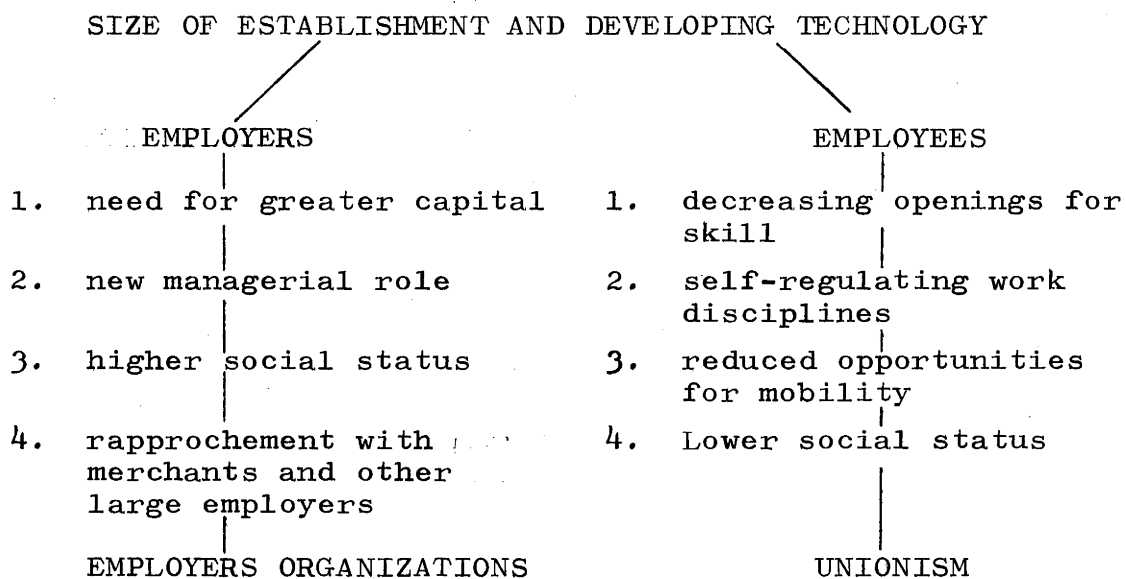
(footnote 3 continued from p.109)

It is difficult to determine how far, on the Union's part, the strike was a battle to consolidate previous gains, how far to extend them. The Trenwith-Murphy account suggests the first, emphasizing the failure of some employers to observe the 'Statement' of 1883 and the immediate cause of the strike in the lock-out memorandum of November 1884. It is important, however, to note that the demands made by the Union went beyond anything the employers had previously conceded, that the lock-out merely forestalled a threatened strike (V.O.B.U. Minutes, 20 October 1884, p.195) and that the Union had recently been fortified (for a trial of strength?) by amalgamation with the Bootmakers' Eight Hours Society (ibid., 15, 22 September 1884). Nevertheless, Coghlan certainly exaggerates Union initiative in the matter.

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The compromise settlement is reproduced in Sutcliffe, op.cit., p.58.

Thus, although one can speak with some confidence of a change in the temper of industrial relations in Melbourne's factories during the 'eighties, it is a change which defies at least some of the explanations implicit in the accounts (pp.73-5). with which this enquiry began. Those explanations may be summarized in this fashion.



This explanation is neat and seductive. But several things are wrong with it:

- (i) Neither the increase in the size of factories nor the development of technology during this period were very striking.
- (ii) The industries (like engineering and ironworks) in which there was greatest expansion and technological change were not those in which industrial strife was most prevalent or unionism most highly developed.

- (iii) The industries expanding most rapidly seem also to have attained a fair system of trade training and to have provided greatest opportunities for the advancement of employees.
- (iv) The issues which came under dispute between employers and employees were not, primarily, issues which arose from changes in technology or the size of establishments.
- (v) The growth of unionism has largely to be explained in terms of the introduction of a certain style and technique of leadership and organization.

The explanation for the growing antagonism between workers and employers is perhaps better sought in those aspects of the stagnant industries - poorer returns, cutting competition, subdivision of labour without machinery - which made the roles of both employers and employees less attractive than they were in the booming industries of the 'eighties.

The social effects of stagnation and cut-throat competition upon manufacturers are best illustrated, however, by their condition during the depression of the early 'nineties, for it was precisely the boom industries of the 'eighties - notably those specializing in the production of durable and investment goods, rather than single-use and consumer goods- that suffered most acutely.<sup>1</sup> Of the four industries

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1

W.A. Sinclair, Economic Recovery in Victoria 1894-1899 (Canberra 1956), tables p.92.

mainly under discussion, coach-building and the metals industry experienced greater decline in employment than either the clothing or bootmaking industries.<sup>1</sup> On the other hand, it appears that in all four industries, the numbers of establishments actually increased. The conditions underlying this paradox will more readily appear if we examine the reaction of economic depression upon each separate industry.

The carriage-building trade, 'sensitive as a barometer',<sup>2</sup> quickly registered the fall in demand, and, since stocks in 1889-90 had already been excessive, immediately set about bringing production and investment in line. Manufacturers were now compelled to undertake a most rigorous examination of their most accepted policies and practices. They scrutinized their products: were they too ornate? were they really suited to Australian conditions?<sup>3</sup> And their business methods: could they bear some improvement? Prices, for example, were rarely based upon systematic costing:

To keep a correct account of the men's time, to regulate the passage of work through its different stages, so that no time is lost in men waiting for one another, to economize in

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1

See above Tables 3 : 1 and 2.

2

Australasian Coachbuilder and Saddler, 10 October 1892, p.73.

3

Ibid., 10 April 1891, p.2 and see below chapter 8.



material, to know what is used, and finally to know what a particular job has cost when it is ready to go out, are items of knowledge the majority of coachbuilders never possess.<sup>1</sup>

Stock was often taken only perfunctorily.<sup>2</sup> The manufacturer himself had often been too anxious to throw off the apron and wear a coat before his establishment justified full-time management.<sup>3</sup> There had been a tendency to over-invest in machinery: one manufacturer, who had done so himself, was now 'inclined to think the market too limited for the introduction of machinery; in fact [he claimed] we have evidence that it has not realized the results expected of it'.<sup>4</sup> Finally, some coachbuilders even disputed the logic of a protective tariff. Joseph Bishop, in a paper to the Convention of Master Carriage-builders in 1892, confessed that

the severe depression which has affected the trade during the last two years has caused me to inquire into the foundation of beliefs, which hitherto I had unhesitatingly accepted

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1

Ibid., 10 December 1891, p.110, 10 July 1892, p.49, 10 May 1891, p.16; also note series of articles on book-keeping *ibid.*, 10 January 1892, p.109.

2

*Ibid.*

3

*Ibid.*, 10 May 1891, p.16, 10 July 1892, p.42.

4

*Ibid.*, 10 July 1892, p.42 (Stickland).

by tradition. My father first, and all my friends and shopmates after, having been protectionists, it was perhaps only natural that I should hold the same view.<sup>1</sup>

Now, however, he doubted whether the little advantage afforded by Protection adequately balanced the disadvantages of the same concessions being extended to subsidiary trades, like axle-makers, whose products compared most unfavourably, as to price and quality, with imports. A few manufacturers, including Stickland and White, supported him; but they probably remained a minority.<sup>2</sup> The chief exponents of fundamental readjustment significantly came from among those larger manufacturers whose heavy investment in plant and machinery in the late 'eighties rendered them especially vulnerable to a contraction

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Ibid., 10 June 1892, pp.27-8. This was a common, but not usual reaction. Most of the witnesses who gave evidence to a Chamber of Manufactures committee of enquiry into the 'Causes of the Depression' which sat in 1892 called for increased duties (Argus, 5 April, p.6F, 26 April 1892, p.6E, 28 May 1892, p.7E, 14 June 1892, p.6, 15 June 1892, p.3B, 21 June 1892, p.7H, 14 July 1892, p.3C); two years later, however, when manufacturers gave evidence before the Board appointed...to enquire into the Effect of the Fiscal System... (V.P.P., 37\*/1894) they were far less united. In general, there was little united support for a protective tariff except among unionists; and manufacturers were largely at odds among themselves: coachbuilders against axlemakers, bootmakers against tanners, etc. (Report 37/1894, pp.8-12).

2

Mr Waring, who opposed them, was 'loudly applauded' by the Convention. Australasian Coachbuilder and Saddler, 10 July 1892, p.39.

in demand. The staple activity of the trade was now repairs, and these could be as easily performed by a tradesman with a set of carpenter's tools and a smith's anvil and bellows as they could with the elaborate equipment of the large manufacturer.<sup>1</sup> Many who had lost their jobs set up their own small repair shops; competition among them gradually depressed prices, despite the efforts of the larger manufacturers to establish a fixed tariff.

Similar, though less pronounced and more retarded, effects were felt in the iron and engineering industry. Unlike the carriage-building industry, demand was fairly well sustained through 1889 and into 1890 by continued investment in public works and transport. Nevertheless expectations were declining, and manufacturers were most reluctant to add to their capital equipment. These were the circumstances which lay at the root of a dispute between the engineers and their employers late in 1889. The men demanded heavy penal rates for overtime which, they claimed, was so regularly required of them as to constitute an affront to the eight hours' principle. The employers, on their side, submitted that future demand was too uncertain to justify the purchase of more machinery.<sup>2</sup> Though the employers conceded these demands, it was to be the last concession for some

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1

Ibid., 10 March 1891, p.152.

2

A.I., 21 December 1889, p.11; 1 January 1890, pp.1-2; 1 February 1890, p.40.

years. As trade declined, manufacturers evidenced a growing concern with economies of management and method.<sup>1</sup> A few introduced piece-work;<sup>2</sup> but there were technical limits to its application. From 1891 some manufacturers began to tender directly for ironmongery contracts. In the past they had gladly surrendered these duties to merchants, who were better endowed with capital and expertise.<sup>3</sup> In mid-1892, Law, McWalters and Co., one of the largest manufacturers, announced that they would henceforth not be bound to their old distributor. This action sparked off a lively controversy within the trade. Merchants and their supporters reiterated the advantages of trading through 'regular channels', of accepting the 'traditions' and 'fixed principles' of the trade. The rebellious manufacturers, on the other hand, claimed that the merchants' charges were pricing their goods out of an increasingly competitive market, that the manufacturers were being used merely as an occasional convenience by merchants, whose real preference was for imported goods, and that 'traditions' and 'fixed principles' had never been honoured in Melbourne as they were in London.<sup>4</sup>

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Ibid., 1 April 1894, p.85; evidence of John Danks to Chamber of Manufactures Committee on the Tariff in its Annual Report (1894), pp.60-1.

2

A.I., 1 May 1894, p.12.

3

Ibid., 1 October 1891, p.314.

4

Ibid., 1 May 1892, p.168; 1 June 1892, p.197, 1 July 1892, p.244; 1 September 1892, p.319.

Clothing manufacturers, whose production was labour-intensive, and whose relations with retailers were already highly competitive, could resort to only one effective means of economy: heavy reductions in the cost of labour. During the 'eighties, the term 'sweating' was used loosely; in the strict sense - subletting of work by a profit-taking middleman - it probably did not exist at all.<sup>1</sup> In the early 'nineties, however, middlemen were alleged to be farming out work at starvation prices.<sup>2</sup> Some finishers were said to be receiving as little as 7d or 8d a dozen for shirts; at such rates even an industrious worker could make little more than 2s 6d a day. There was a tendency for the larger establishments, with their high overheads for machinery and management to give way

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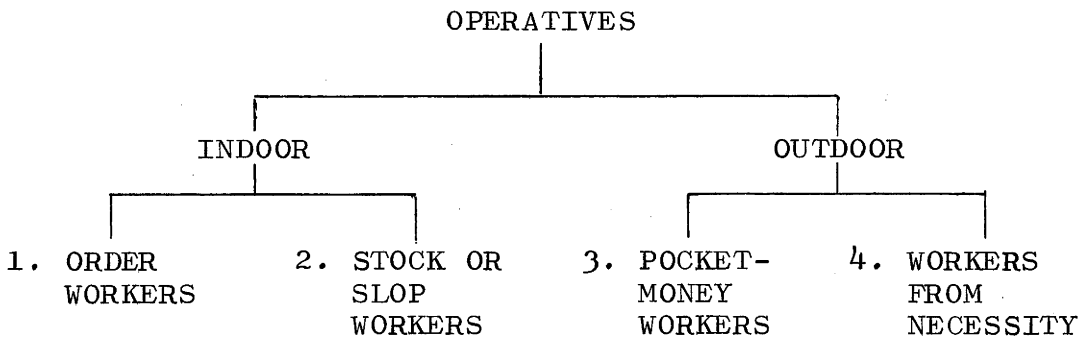
T.A. Coghlan, Labour and Industry in Australia (London 1918), vol.3, pp.1484-5. The Factory Act Enquiry Board (1893) in its First Report, V.P.P. 47/1893, pp.12-13, set out several of the possible interpretations of 'sweating':

- (i) working under poor conditions
- (ii) working too hard or too long
- (iii) working for starvation wages
- (iv) being exploited by a middleman
- (v) working outside the factory for less than was being paid inside it.

2

Ibid., pp.14, 18. Both the membership of the Board and the witnesses summoned before it strongly disposed its report to support allegations of 'sweating'; though coloured, however, its evidence must still be regarded as the fullest account of conditions in the trades it examined.

to sub-contractors and sweating shops.<sup>1</sup> By 1893, several of the very largest factories, including one which had cost £10,000 to build, were empty and idle. Operatives fell, roughly, into four groups:



Under depression conditions, those who remained in indoor employment were said to be generally better paid than those who performed outwork. Among the former, order workers were better off than stock or slop workers; of the latter, workers from necessity were worst off - although, in time of depression, the distinction could hardly be drawn.

In most industries the depression seems to have arrested, and even reversed, the trend to large, mechanized units. It was at just this time, however, that, in the boot and shoe industry, machinery came into its own. As price-competition increased and the

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<sup>1</sup>

Ibid., pp.14-15. The same tendency was also apparent in the boot and furniture trades (Argus, 9 January 1893, p.7C, 10 January 1893, p.6A and Factory Act Enquiry Board, Second Report, V.P.P., 12/1894, p.11).

resistance of unions was weakened, employers - especially those large ones likely to suffer from a reversion to subcontracting and outwork - were afforded powerful reasons for introducing the latest labour-saving machinery. In the five years 1890-95, bootmaking was converted from a 'primitive' to a 'modern' factory system.<sup>1</sup> The primitive factories which laid the basis of the Victorian boot industry in the 1860s comprised four main departments or processes: 'clicking' (the cutting out of the upper), 'sole-cutting', 'closing' (the stitching of the upper) and 'making and finishing'. At the beginning, both cutting out and sewing were performed by hand;<sup>2</sup> by the late 'eighties, however, the 'primitive' factory system was perfected by the use of sewing machines, gas engines and sole-cutting presses.<sup>3</sup>

These refinements of the 'primitive' factory, however, paled beside the more radical transformations of the early 'nineties. At each stage of development, Melbourne lagged well behind the most modern American factories. The Blake sewer (invented in 1857-8 and

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1

Victorian Yearbook, 1906-7, p.653 'establishment of the modern factory system between 1890 and 1895'.

2

See photograph of old hand sewer, Age, 12 December 1936.

3

A.I., 1 December 1888, p.472; in September 1889 Michaelis Hallenstein reported to George Hallenstein that their firm had sold 80 Jones sewing machines in the previous month (Hallenstein Private Letterbook, 25 September 1889, p.46).

improved 1867)<sup>1</sup> did not appear in Melbourne until 1876 and, as we have seen, was not generally used until the late 'eighties.<sup>2</sup> Similarly, the Goodyear welt-sewing machine and chain-stitcher, which was introduced to the American industry in the early 'seventies, and the lasting machine, which dates from the early 'eighties, did not appear in Melbourne until the 'nineties. Smalley and Harkness seem to have been the first to introduce Goodyear machines in 1891;<sup>3</sup> in 1894 Whybrow's introduced lasting machines<sup>4</sup> and Bedggood's manager returned from England with a group of English workmen and a consignment of the latest American machinery.<sup>5</sup> Finishing machinery was also being used, and Bedggoods were able to reintroduce the heeling machines which they had been forced to abandon because

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1

P. Head, 'Boots and Shoes' in D.H. Aldcroft, The Development of British Industry and Foreign Competition 1875-1914 (London 1968), pp.162-5.

2

Victorian Year Book 1906-7, p.653, refers to the first machine stitching in 1876; Arthur Rowston (letter to Horace Bedggood, 10 May 1957) associates the introduction of Blake sewers with the opening of the new Bedggood works at Waltham Place which occurred in 1883 (Age, 12 December 1936); the account of mechanization in John Norton, History of Capital and Labour, pp.340-3, seems to ante-date developments in Melbourne.

3

A.I., 1 May 1892, p.132.

4

V.O.B.U., Minutes, 29 January 1894, pp.297-9.

5

Welcome to Bedggoods. (n.d.) in Bedggood papers (A.N.U. Archives)



of union opposition in the early 'eighties.<sup>1</sup> Thus, by the mid-nineties, there were few operations in the bootmaking trade which were not being performed, somewhere in Melbourne, by machines. In 1895 a factory inspector asserted, with pardonable exaggeration, that 'nearly all the factories are fitted up with the most modern machinery which makes the boot almost throughout'.<sup>2</sup>

It seems puzzling, at first, that the boot industry should have undergone such radical technical change at a time when other manufacturers were reverting to hand-work. Nevertheless, several explanations may be offered. First, and probably most important, was the fact that mechanization in the boot industry was designed substantially to cheapen the cost of production, especially to manufacturers who had already invested in machinery. A finishing machine could easily perform the work of two hand finishers,<sup>3</sup> while a Goodyear machine was said to be capable of performing in  $1\frac{1}{4}$  minutes an operation which took  $2\frac{1}{2}$  hours by hand.<sup>4</sup> The gains in making a particular product were impressive:

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<sup>1</sup> Argus, 9 January 1893, p.7C.

<sup>2</sup> Inspector Ellis in Factory Inspector's Report, V.P.P., 49/1895-6, p.3.

<sup>3</sup> Factory Inspector's Report, V.P.P., 63/1894, p.5.

<sup>4</sup> A.I., 1 May 1891, p.132.

For strong work (heavy boots) it takes twelve machines, after a boot has been lasted, to complete the boot. Altogether about fourteen men are employed. It has been estimated that they can turn out as much work as 60 men formerly could. This has caused the cheapening of labour to such an extent that the smaller manufacturers have found that they were unable to compete with those using machinery and pay the same rate of wages as formerly.<sup>1</sup>

The alternative for these smaller firms was simply: 'sweat' or perish. Second, the increase in duties on boots and shoes in 1892 preserved manufacturers from at least some of the competition of foreign makers, particularly in the 'high class' work to which machinery was best-adapted.<sup>2</sup> Third, it was the practice of the American firms which manufactured boot machinery to hire, rather than sell, it to manufacturers.<sup>3</sup> Thus, even though boot manufacturers - like everyone else - were short of capital, they could still afford to introduce new machinery. Finally, the bargaining power of the Union was so depleted, that it could no longer effectively oppose mechanization.<sup>4</sup>

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1

Factory Inspector's Report, V.P.P., 49/1895-6, p.3.

2

Evidence of J.W. Billson (Secretary of V.O.B.U.) to Board appointed...to enquire into the Effect of the Fiscal System...V.P.P., 37\*/1894, Qs.8824-6.

3

Edgar M. Hoover, Location Theory and the Shoe and Leather Industries (Cambridge, Mass. 1937), pp.799ff.

4

Argus, 9 January 1893, p.7B-C.

In 1893 an official of the Bootmakers Union, warned his fellows that

Machinery was sure to find its way here and that we should have to face it....Machinery had thoroughly revolutionized the Boot Trade in England and the only remedy for us here [was] for the workmen to get hold of the Machinery themselves and start another Cooperative concern....<sup>1</sup>

His prophecy was soon fulfilled for, early in the following year, the Union was actually debating with employers the terms on which they would accept a subdivision of labour to accommodate the use of Goodyear welt stitching, finishing and lasting machines.<sup>2</sup> There was concern lest manufacturers others than those actually mechanizing should take the opportunity to carry out subdivisions as a means of wage-reduction.<sup>3</sup> Although an agreement on the Goodyear machines was reached in July 1894, the Union's attitude to machinery remained hostile. John Hancock of the Melbourne Typographical Society, addressing the Bootmakers in 1895, described the introduction of labour-saving machinery as 'a curse'<sup>4</sup> and, a few years later, another Melbourne workman advanced the view that machinery was 'a device of the Devil'.<sup>5</sup>

<sup>1</sup> V.O.B.U., Minutes, 27 November 1893, p.285. The Union had previously, and unsuccessfully, attempted a cooperative factory in 1883. For English conditions see A. Fox, A History of the National Union of Boot and Shoe Operatives 1874-1957 (Oxford, 1957) esp. chapter 10.

<sup>2</sup> Ibid., 29 January 1894, pp.297-9, 12 February 1894, pp.303-5.

<sup>3</sup> Ibid., 22 February 1894, p.308.

<sup>4</sup> Ibid., 11 January 1895, p.407.

<sup>5</sup> W.W. Fraser, Machinery, 'A Device of the Devil', Melbourne, n.d.

The unwilling surrender of the Bootmakers on the machinery question was part of a general collapse of unionism in the face of depression and cut-throat competition. The events of these years may be roughly divided into four stages. There was, firstly, a period from about 1889-91 (Stage I) when the unions attempted to maintain the aggressive stance of the late 'eighties. This, however, they had reluctantly to abandon and, for a time (1891-2 Stage II) they made 'temporary' concessions to employers without actually altering their 'basic' stance. Gradually, however, these concessions assumed a more fundamental and permanent character. During Stage III (1892-4) the Unions were unable to offer any effective resistance and persisted, if at all, mainly on the strength of social activity. Finally, however, they entered a fourth stage (1894-5) and began to re-form sometimes under new leaders and policies. These stages may be illustrated from the histories of two unions - the United Furniture Trades Society (U.F.T.S.), and the Victorian Operative Bootmakers' Union (V.O.B.U.).<sup>1</sup>

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Others, no doubt, could be added. The Agricultural Implement Workers Union, for example, went through similar stages. (Minutes in office of Tinsmiths and Sheet metal Workers Union, Trades Hall, Melbourne). There was a noticeable falling off in activity by late 1890 (Minutes, 27 November 1890, 11 December 1890); some discussion of cooperation and other nostrums, including a National Bank (ibid., 22 January 1891) and increased Protection; increasing difficulty in maintaining subscriptions (ibid., 19 February 1891) and abortive attempts to start an unemployment benefit fund (ibid., 27 July, 17 September, 17 December 1891); ragged resistance to piece-work (1 September 1892) and, finally, the virtual extinction of the Society (10 November 1892, 15 May, 8 June, 28 September, 12 October 1893). Also see Pressers' Union Minutes [A.N.U. Archives, E138/7] 1891-4.

The furniture trade, like the building trade, was severely affected by the collapse of the land boom, and from late 1889 there were signs of sharply falling demand. Some employers attempted to reduce the wages of individual employees,<sup>1</sup> to disengage from wage agreements,<sup>2</sup> and to subvert the authority of shop committees.<sup>3</sup> The Union responded with threats of strike action, and efforts to strengthen its organization; shop committees were formed in factories threatened with reductions and a recruitment drive was commenced.<sup>4</sup> By 1891, however, relations between employers and the union had entered a second phase. It was now difficult to persuade workers to join the Union or to act on shop committees in defiance of employers' threats to dismiss them.<sup>5</sup> Further, although the Union continued to protest against reductions, it no longer threatened to strike but merely demanded negotiations or called out the single underpaid worker.<sup>6</sup> As its industrial role declined, the U.F.T.S., attempted to maintain membership and morale by introducing 'harmony nights'; but conviviality and good fellowship

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1

U.F.T.S. Minutes, 27 February 1890, 22 May 1890.

2

Ibid., 28 November 1889.

3

Ibid., 7 December 1889.

4

Ibid., 10 July, 21, 28 August 1890, 19 June 1890.

5

Ibid., 30 July 1891 (Robertson and Moffat);

5 February 1891 (Fallshaw's).

6

Ibid., 8 October 1891.

were thin insulation against the chilly blasts of want. From about 1892, when the third phase begins, the Union was no longer able to make any impression upon a steadily deteriorating industrial situation. For about six months (March-October 1892) it held meetings only rarely, and then only to accept humiliating reductions. When the U.F.T.S., was re-formed late in 1892, its leaders were convinced of the weakness of their bargaining position, and of the need to enlist outside public support. From this recognition, the Union's leaders proceeded to organize a two-pronged campaign which continued through the fourth phase. On the one hand, there was a vigorous anti-Chinese agitation; on the other, the Union sponsored its own enquiry into the effects of sub-letting and piece work.<sup>1</sup> These activities, and a series of union-inspired articles in the Age, strongly influenced the Government's decision to appoint the Factory Act Enquiry Board of 1894-5.<sup>2</sup>

The Bootmakers' Union encountered the first signs of depression in 1890 when employers showed a disposition to 'bend' agreements by employing more than the set number of hands on weekly wages and by 'stretching' the maximum hours of overtime.<sup>3</sup> These attacks were met by firm resistance and strenuous,

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U.F.T.S. Draft Minutes, 4, 10, 17, 25 May, 22 June 1893.

2

U.F.T.S. Minutes, 4 April 1895 and Annual Report (1895).

3

V.O.B.U. Minutes, 18 August 1890, pp.31-2,  
22 December 1890, p.62.

though not entirely successful, activity to strengthen the organization of the Union. In 1891 the V.O.B.U., became unable to maintain its numbers or its authority in the face of employers' threats to dismiss men who became shop presidents or joined the Union.<sup>1</sup> It had, in effect, to condone small, but widening, breaches of the agreement. By 1892 (Stage II) the leaders of the V.O.B.U., were faced with the daunting alternatives of either striking in circumstances that made rank-and-file support unlikely and success almost impossible or continuing to accede to breaches of the agreement which, by now, were no longer venial. From early in the year the employers sought to impose wage reductions of about 10 per cent and to shift the balance of employment from piece-work to weekly wages. In the Union's view this constituted a frontal attack upon the agreement and they accordingly struck against the offending employers.<sup>2</sup> Not all unionists came out and the Union was unable to prevent 'blacklegs' going in. The new agreement made in June 1892 embodied substantial reductions. During 1893, conditions remained much the same. The Union continued to use the strike weapon - though ineffectively - in cases of attempted reduction. In other matters - excess overtime

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1

Ibid., 16 March 1891, p.81, 23 November 1891, p.131, 21 December 1891, p.136.

2

Ibid., 1 February 1892, p.142, 14 March 1892, p.151, 28 March 1892, p.156, 9 May 1892, p.160, 12 May 1892, p.163, 23 May 1892, p.164, 20 June 1892, p.170.

or disproportionate numbers of weekly hands - it was content to 'get the best terms they [could]' without resorting to strikes.<sup>1</sup> It avoided direct confrontation with employers by seeking alternative employment for aggrieved workmen or by helping them move to other colonies, especially South Australia.<sup>2</sup>

Early in 1894, however, the relations of bootmakers and their employers entered the fourth and bitterest phase. As we have seen, the introduction of machinery and the new system of subdivision undermined the entire cost structure of the industry and, with it, the bargaining power of the operatives. The Bootmakers resisted subdivision without machinery but were powerless to prevent it. To obtain employment, even under these conditions, men were sometimes required to renounce the Union and swear fealty to their employer. In the end, the loyalty of employees to their masters and to their fellows, instead of being mutual, became mutually exclusive.<sup>3</sup>

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1

Ibid., 25 August 1893, p.273, 18 December 1893, p.289; 14 August 1893, p.261, 16 August 1893, p.264, 21 August 1893, p.265.

2

Ibid., 10 April 1893, p.238, 15 January 1894, p.296.

3

V.O.B.U., Minutes. From mid 1894 demand began to revive; the Union then began the struggle - which proved to be a hard and acrimonious one - to re-establish 'statement' wages throughout the industry. V.O.B.U. Minutes 1894-95; W.A. Sinclair, op.cit., pp.94-95.



The boom with its changes in the scale, technology and internal social structure of manufacturing establishments, had made a cleavage between the interests and social ranks of manufacturers and their men; the depression, with its unemployment, 'sweating' and bitter competition, had infected that division of interests with the pains and passions of class antagonism. After the strikes of 1890, the masters became increasingly aware of the dangers of such a situation. In an editorial on 'How to prevent Strikes', the Australasian Ironmonger contrasted the conditions of the two classes:

The employer, probably and properly using borrowed capital and the labour of hundreds of his fellow men, drives in his carriage to a luxurious house in a fashionable suburb; his crowds of hands disperse to tiny cottages on the low-lying uninteresting flats near the city. They know the employer by sight - he may even know some of them in their working clothes and sweat-begrimed skins. But their intercourse ceases here....<sup>1</sup>

The writer went on to exhort the employer, in his own interests, to 'remember that his hands are fellow-men'. But deliberate and artificial attempts to encourage friendly relations - such, for example, as the annual dinner or excursion 'where the master and his family appear in state and respond to the toast of their health proposed in respectful terms by one of the older hands' - probably intensified, even as they recognized, 'a sense of disparity'.

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<sup>1</sup>

A.I., 1 August 1891, p.227.

Yet, both masters and men did share a desire for some community of interest and regard. Within their separate camps they deliberately promoted cooperation and mutual trust. Employers evidenced a new interest in 'social gatherings as a means to removing the acerbity which is too apt to exist between men whose only failing is that they are in the same business'.<sup>1</sup> Some unions, as we have seen, sponsored 'Harmony Nights';<sup>2</sup> others dreamt of Cooperative Factories and Village Settlements.<sup>3</sup> Such comradely sentiments, however, were probably nurtured more by the very present fear of their one-time allies than by hankerings for the mutuality of the old Protectionist cause.

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Australasian Coachbuilder, 10 September 1891, p.72; also see Manufacturer, March 1891, p.23.

2

Above p.124; see also Pressers' Minutes, 22 April 1891, p.81

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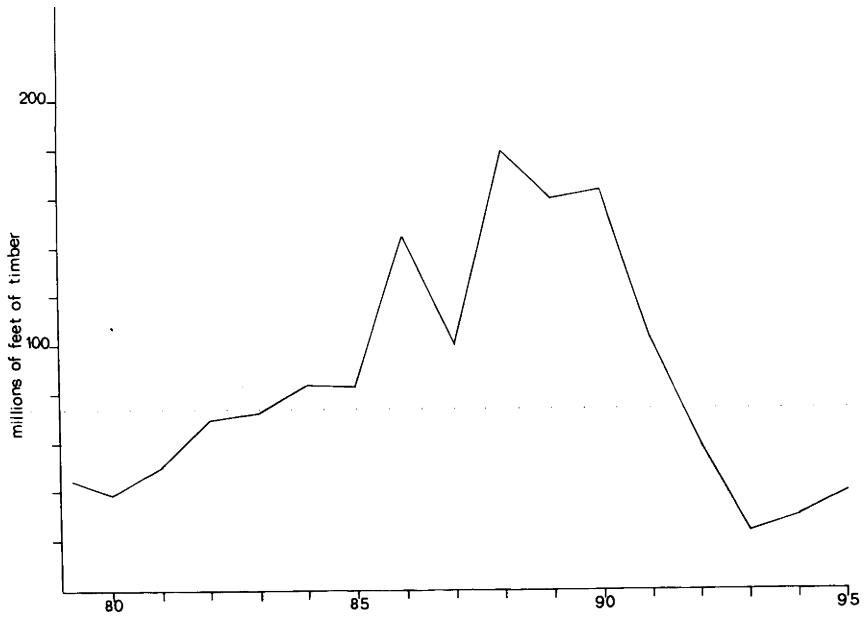
V.O.B.U. Minutes, 30 July 1894, p.363; 17 June 1895, pp.470-2.

CHAPTER 3THE BUILDERS

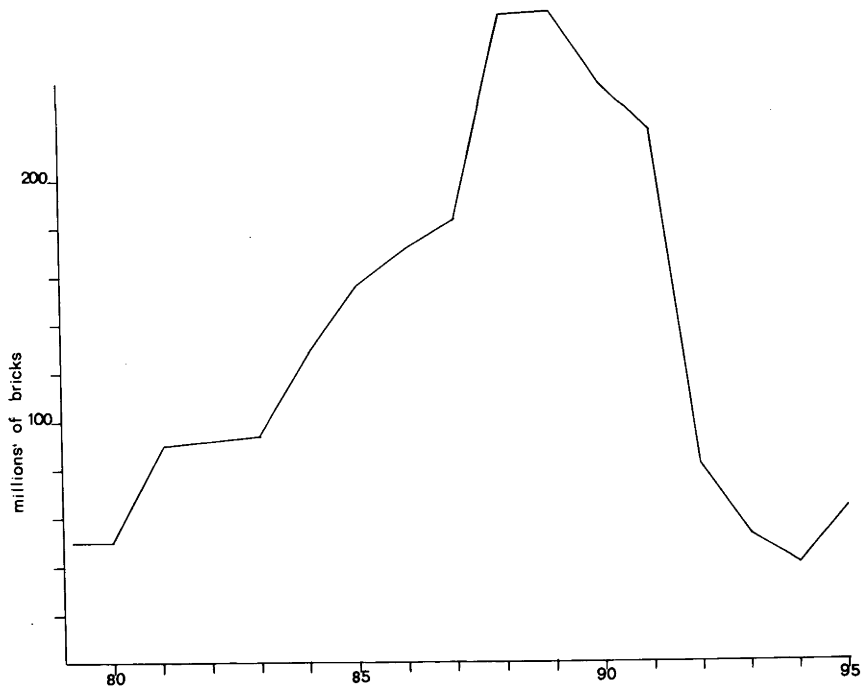
Of all colonial industries, building was perhaps the most unstable. Its boundaries were obscure, its membership constantly changing, its fortunes precarious. Although, in times of prosperity, the demand for building skills expanded prodigiously, in recession it could evaporate almost completely. Thus, in our period, which is one of high prosperity and deepest depression, the fortunes of the Melbourne building industry provide almost a limiting case of the effects of economic change upon the social structure of an industry.

The social developments which underlay the great building boom of the 'eighties were several and complex: the accession to marriageable age of the children of the gold rushes, the immigration of thousands of new city-dwellers from the country and abroad, the impact of speculative values upon land use, especially in the inner-city. Its dimensions may be gauged by the rise in demand for building materials, Figures 1 and 2 (below) show the pattern of economic change as it was reflected in two commodities - imported timber and locally-produced bricks. The uses of local timber in

TIMBER IMPORTS - VICTORIA



BRICK PRODUCTION - VICTORIA



building were very limited<sup>1</sup> while all but a very few bricks were produced locally. Thus fluctuations in these two commodities presumably give a fairly accurate indication of changes in total demand for building materials. The overall pattern is clear: a steady rise in demand in the early 'eighties which is broken by a distinct recession in 1886-7, then a sharp rise in production through 1888 levelling off in 1889-90 and falling away precipitously from 1891-4.

The growth of the industry during the 'eighties is further illustrated by the growth of its dependent occupations. Table 3.1 (below) presents figures for the increase in selected building occupations between 1881 and 1891. Three observations may be made on this table. First, the rate of increase in almost all building occupations far outstripped the rate of increase in the population of the city as a whole over the period (+73.5 per cent). Second, there was a notable concentration of building tradesmen in the metropolitan area: this, as we shall see, did actually involve some movement of building workers from the country to the city. Third, it will be observed that both the

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Redgum was known to be useful but was difficult to obtain in proper lengths; bluegum was disliked; iron bark was mainly used in railway sleepers and piles as was box; messmate was generally used only for rough work and blackwood, though it was favoured by cabinet makers, was scarce. (See Australasian Builder and Contractors' News [A.B.C.N.], 29 October 1887, p.395.) It is also probable that immigrant builders - by which we mean the majority of Melbourne builders - preferred European softwoods.

TABLE 3.1  
BUILDING OCCUPATIONS 1881-1891<sup>1</sup>

| Occupation                                   | Melb.<br>1881 | Melb.<br>1891 | Melb. %<br>Colony<br>1881 | Melb. %<br>Colony<br>1891 | % Increase M.<br>1881-91 |
|--|---------------|---------------|---------------------------|---------------------------|--------------------------|
| Architect                                    | 188           | 470           | 72.0                      | 78.3                      | + 150.0                  |
| Builder                                      | 487           | 1041          | 68.5                      | 62.6                      | + 113.8                  |
| Carpenter, Joiner                            | 3143          | 7527          | 48.3                      | 56.7                      | + 139.4                  |
| Bricklayer                                   | 685           | 2058          | 57.9                      | 68.7                      | + 200.4                  |
| Mason, Pavior                                | 773           | 1320          | 56.6                      | 68.0                      | + 70.8                   |
| Slater, Shingler,<br>Tiler                   | 70            | 198           | 79.5                      | 93.0                      | + 182.9                  |
| Plasterer                                    | 540           | 1654          | 74.7                      | 80.4                      | + 206.3                  |
| Painter,<br>Paperhanger,<br>Plumber, Glazier | 1872          | 5238          | 66.8                      | 73.4                      | + 179.8                  |

degree of metropolitan concentration and the rate of growth were most marked in the specialised trades (e.g. slaters, shinglers, plasterers and paper-hangers). This suggests a greater sophistication both in the style of city building and in the organization of the industry. Building, it would seem, was being subjected to a more highly-articulated division of labour.

<sup>1</sup>

Victorian Census, 'Occupations', 1881, 1891.

Perhaps the most notable feature of this enlarged building work-force was the degree to which it consisted of immigrants. Of 248 builders and contractors whose birthplace is known,<sup>1</sup> 185 (or 74.6 per cent) were born outside Australia; only 51 (or 20.6 per cent) were Victorian-born and 12 (4.8 per cent) born in other colonies. Although the proportion of native-born gradually increased (from nil among the builders of the 'fifties, to about 20 per cent of the builders who began in the period 1860-1880, and about 33 per cent of those who began in the 1880s), they always remained a minority. There were two reasons for this. The colonial industry was unable, for want of a proper system of trade-training, to provide a sufficient number of skilled tradesmen.<sup>2</sup> Secondly, the eighteen-eighties was a decade of deep depression in the English building industry;<sup>3</sup> at the height of its expansion the Melbourne

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1

From short biographies in Alexander Sutherland (ed), Victoria and its Metropolis (Melbourne 1888), vol.II, pp.628-661. For further analysis of this evidence see below. Among the 185 born overseas, 118 were English-born, 37 Scots, 16 Irish and 10 other places. Of the English-born, whose actual birthplace was cited, 35 of the 72 were from London or the south-eastern counties.

2

See below.

3

Marian Bowley, Innovations in Building Materials - An Economic Study (London 1960), pp.50-1 and H.W. Robinson, The Economics of Building (London 1939), p.94 and Appendix A. For effects of the depression among building workers see William S. Hilton, Foes to Tyranny - A History of the Amalgamated Union of Building Trade Workers, (London 1963) chapters 15 and 16.

building industry could draw upon a considerable pool of unemployed British artisans.

Not less remarkable than the dimensions of change in the building industry were the developments in its technology. These rested, for the most part, upon innovations in building materials. In 1888 the Journal of Commerce remarked that the year had brought 'the introduction of several new brands of cement and the like, new methods of construction, and substitutes for old-fashioned materials'.<sup>1</sup>

In the timber trade, it became the rule for architraves, doors, windows, facias and most other components to be sold complete to the builder. Many of these were imported but a considerable quantity<sup>2</sup> was being produced by the 'steam joinerys' which were springing up in the suburbs.<sup>3</sup> Plaster work, too, was

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1

28 December 1888, p.5.

2

'...articles required in the erection of cottages are imported cut to exact sizes ready for local artisans to put together', Australian Building Societies' and Mortgage Companies' Gazette [A.B.S.G.], 1 August 1887, p.142. In 1887 the local millers were feeling the pressure of imports (see ibid., and A.B.C.N., 23 July 1887, p.169.)

3

Some of the new establishments were on a vast scale. See, e.g., Wright's in South Melbourne (Sutherland, op.cit., p.661), Swinbourn's (ibid., p.656), John Sharp's (ibid., p.653), James Moore's (print in the Troedel Collection, S.L.V.) and the Moreland Steam Saw, Planing and Moulding Mills (Manufacturer, February 1890, pp.66-7).



now usually made up before being assembled and finished on the job.<sup>1</sup> Some of the most remarkable developments occurred in the adaptation of metals to building. The tall office buildings of the 'eighties were made possible by the adaptation of steel frames and girders to construction<sup>2</sup> and the introduction of hydraulic lifts.<sup>3</sup> In domestic building these years saw the first experiments in the use of weight-supporting sheet iron (tragerwellblech)<sup>4</sup> and pressed steel ceilings.<sup>5</sup>

There were also important technical innovations in the manufacture of the most important building material - bricks. In the larger plants, the old 'Fawcett' process, in which bricks were wire-cut from extruded clay, was giving way to the new 'Bradley-Craven' process in which the clay was pressed by

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1

J.M. Freeland, Architecture in Australia: a history (Melbourne 1968), pp.176-8.

2

See John Brine, Judith Dox, Rosemary Eggleston, Tony Raoustos and Mark Wierebowski, 'Victoria's Ferrous Metals Industry 1840-1910', B. Arch. thesis University of Melbourne, n.d., esp. pp.69-72.

3

Geoffrey Blainey, Johns and Waygood Limited 1856-1956 (Melbourne 1956), pp.19-23 and Freeland, op.cit., pp.161-6.

4

Brine et al, op.cit., p.36.

5

Freeland, op.cit., p.178.

stampers into a revolving mould.<sup>1</sup> These new bricks were cheaper to produce, less liable to breakages and could be made in a wide range of colours and fancy patterns.<sup>2</sup> Both the Hoffman and Northcote Brick companies, the 'giants' of the industry, sponsored programmes of heavy capital investment, particularly in the late 'eighties. They installed new kilns, engines, machinery and railway sidings.<sup>3</sup> Like many of the smaller brick companies they had to be reorganized 'on an extended basis' to secure the necessary financial assistance.<sup>4</sup> From an industry of small private syndicates it became the preserve of large publicly-owned companies.

The foregoing account thus draws attention to two striking, and perhaps conflicting, effects of

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1

Freeland, op.cit., pp.187-8, Argus, 9 October 1888 (Exhibition Supplement), p.51 H., article on 'Bricks' in Encyclopedia Britannica, Hoffman Brick Company, Minutes of the Board of Directors, 14 June 1886, p.23, 16 August 1886, p.43, 13 October 1887, p.130, 6 August 1885, p.56 (in M.U. Archives).

2

Bowley, Innovations..., p.63.

3

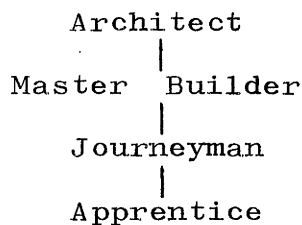
E.g., Hoffman Minutes, 14, 25 November and 12 December 1887.

4

Ibid., 15 December 1886, p.76-7, 28 November 1887, p.145, 16 January 1888, p.159. Also see Upper Hawthorn Brick Company in Papers of Defunct Companies (Victorian State Archives) bag no.1609, Essendon Brick Company (no.886) South Brunswick Company (no.969.), Walkenden Company (no.2374), Wilsmore Company (no.1504) and South Preston Company (no.1481).

Melbourne's building boom. One effect was to promote technical innovation and institutional change. Yet, even as it was doing this, the boom was drawing into the industry a small army of immigrant builders, architects and tradesmen whose experience and notions of right conduct were formed within the traditional setting of the British building industry. The history of the Melbourne building industry during the 'eighties is most graphically presented as a dialectic between the exigencies of rapid expansion and nostalgic impulses to re-establish the traditional structure of the industry.

This traditional structure ('the system' as it is called by a recent historian)<sup>1</sup> was hierarchical; it had, moreover, 'acquired a strong flavour of class distinctions'. It is most conveniently pictured in the form of the following diagram:



This hierarchy was not only based upon social precedence but also upon levels of expertise and a chain of command. The architect, who had a special theoretical training,

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<sup>1</sup>

Marian Bowley, The British Building Industry (London 1966), p.350.

was retained to plan and supervise the whole project on behalf of the client; the master builder, who combined both technical and managerial skills, contracted with the client to organize the actual building process and carry it out in accordance with the architect's specifications; the journeyman who had the practical training of an apprenticeship was employed to carry out particular tasks to which he was assigned and to supervise the training of the apprentice; the apprentice, finally, was indentured to learn his trade under the detailed direction of the journeyman.

It is not argued here that this ideal system actually obtained throughout the British building industry. In London<sup>1</sup> at least, it had already been largely supplanted by speculative building and sub-contracting. Furthermore it had never been as applicable to low-class building as it was to work of higher quality.<sup>2</sup> Nevertheless, as we shall see, 'the system' remained the ideal to which immigrant builders and tradesmen continued to refer as original and proper.

Under the peculiar conditions of high demand for housing in Melbourne, 'the system' proved quite inapplicable.<sup>3</sup> It was impossible to restrain upward

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1

H.J. Dyos, 'The Speculative Builders and Developers of Victorian London' in Victorian Studies, vol.XI, Supplement Summer 1968, pp.641-690.

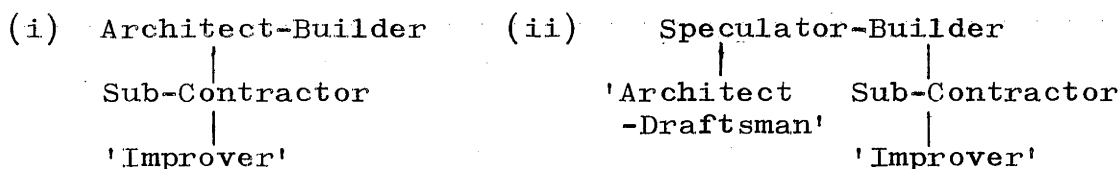
2

Bowley, The British Building Industry, p.328.

3

E.g., Age, 16 July 1890, p.5E.

mobility so as to accord with customary levels of skill: mere 'improvers' were classed as artisans, raw artisans became sub-contractors or even masters; builders arrogated to themselves the title of architect. In turn, the structure of the industry itself was modified. During the late 'eighties there were some sections of the building industry (especially the more speculative ones) in which relations came more closely to resemble those below:



These are hierarchies of control; they carry no implications about prestige or skill. The evolution of these new structures, the process of upward mobility on which they rested, and the changing attitudes of the custodians of the traditional order deserve closer examination.

Ideally, the distinction between the architect and the builder was supposed to rest upon substantial differences in training, task, status and authority:

An architect, sir...conceives the design, prepares the plan, draws out the specification - in short, supplies the mind. The builder is the bricklayer or the carpenter. The builder, in fact, is the machine; the architect the power that puts the machine together and sets it going.<sup>1</sup>

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1

Australasian Ironmonger, 1 June 1886, p.61.

The architect was a very near kinsman of the builder; in fact, they both belonged to the same family. In every family there were some members who did the thinking and the planning and left others to do the work, and that was the position which the architect took in the builder's family. The architect was the aristocrat of the family (Laughter). He (the architect) had ennobled himself by much thought and study, and was regarded with feelings that partook somewhat of reverence and awe.<sup>1</sup>

Under the unwonted pressures of the building boom, however, these distinctions were gradually dissolved. The 'jerry-architect' usually had experience in one of the trades (especially carpentry)<sup>2</sup> but was commonly without any 'architectural' training at all - even in technical drawing. Some 'jerry-architects' employed a draftsman to translate their primitive sketches into finished plans.<sup>3</sup> A few claimed fictitious qualifications;<sup>4</sup> most, however, were commended to their clients by their experience and past performances alone.<sup>5</sup> Such men usually designed very acceptable houses.

Very often the plans for some of the better class of houses were made by men connected with the trades intimately allied with the

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1

A.B.C.N., 10 September 1892, p.134.

2

Ibid., 23 November 1889, p.499.

3

Ibid., 2 November 1889, p.422.

4

Ibid., 17 September 1887, p.297.

5

Rieusset quoted *ibid.*, 6 June 1891, p.451.

architect, and after having repeated this on five or six occasions, the joiner, carpenter, or bricklayer, by the law of evolution, by slow but sure steps, developed into an architect.<sup>1</sup>

Such a man was George Gray,<sup>2</sup> Born in England, he was taught his trade by his father, a wealthy farmer and builder of Gamlingay in Cambridgeshire. An uncle persuaded him to emigrate to Victoria and, from the early 'eighties, Gray was engaged in building in South Melbourne. After a journey home in 1884, he returned to find business encouragingly 'brisk'.<sup>3</sup> He had already achieved some success with land 'specs'; he now turned to the speculative import of slates.<sup>4</sup> More interestingly, the style of his building activities began to change. At first he operated as an architect-builder designing and executing his own plans. In a short time, however, the architectural part of the business was commanding the greatest share of his considerable energies.<sup>5</sup>

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1

Ibid.

2

See George Gray, Letters to England 1885-1923, in Manuscript Collection State Library of Victoria and R.A. Wilkinson, 'The Life and Architecture of George Gray 1842-1920' (B. Arch. History Essay, University of Melbourne 1967).

3

Letters to England, 20 February 1886.

4

Ibid., 25 February 1885

5

Gray's marriage was an unhappy one and he threw himself into his work with an energy that suggests he found it an escape. 'In my humble opinion the greatest blessing to man, and consequently to woman, is to have plenty of work and health and strength to do it'. (ibid., Christmas Day 1885).

Of course it had never been the rule for architects to undertake the design of the most lowly and stereotyped dwellings. The most common procedure was for the client or speculator to go to a builder with some notion of his wants and, perhaps, of his means:

Some of the people immediately they have saved a few pounds become possessed with a mania to build at once. The first thing they do is to trot off to some poor builder and sometimes I have known them to go to several builders to consult them about building a house. And after giving the builders much trouble - and often causing us to waste many hours - and sometimes days in making up estimates. 'For they generally wish to know the cost of two or three kinds of houses' - and often change their minds several times before you have time to get your first estimate ready - then all has to be commenced afresh. And after all this trouble it often turns out they only have enough to build a small wooden shanty.<sup>1</sup>

By 'slow but sure steps' Gray's energies were diverted from actual building to these other time-consuming activities: drawing plans, making estimates, carrying out valuations, managing speculations and supervising construction.<sup>2</sup> From about 1884-5 he began to describe himself as an 'architect'<sup>3</sup> and turn out his plans in 'professional' style. Most of his commissions were undertaken in the South Melbourne and Albert Park

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1

Ibid., 11 January 1885.

2

Ibid., 24 April 1887 and 28 January 1885.

3

Wilkinson, op.cit., p.16.



districts and, in keeping with the status of this clientele, many of his designs were for small cottage dwellings which he executed, with a fine sensitivity to the moods of fashion, around a single, simple box-like plan.<sup>1</sup> With the passage of time, however, he was encouraged to essay more complex and grandiose projects. He reached the pinnacle of his architectural career with a commission to design a 'residence' for his business associate, the South Melbourne Building Society magnate, Mathias Larkin.<sup>2</sup> Gray, in fact, was deeply involved with Larkin in several land and mining speculations and his own fortune, as well as his hopes for the magnificent 'residence', evaporated with Larkin's spectacular downfall in 1892.<sup>3</sup>

Against the intrusion of such unskilled or ungentlemanly competitors, the established trade or profession had no remedy but the exercise of collective influence or pressure. It was natural, therefore, that most organizations of tradesmen, builders and architects should have gathered in the 'legitimate' practitioners and emphasized 'defensive' or 'protective' objects. The 'unqualified' practitioners, on the other hand, tended not to organize themselves unless, as sometimes happened, the 'qualified' men seemed likely to obtain a measure of protection. For

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1

Ibid., pp.25-6.

2

Ibid., pp.4-6.

3

Ibid. Gray appears to have settled at Willung in Gippsland during the 'nineties.

the most part they ranged noiselessly and alone; the free and under-supplied market was their natural habitat.

The organized resistance of the qualified practitioners to the intrusion of the 'jerry-architect' is treated elsewhere in this thesis.<sup>1</sup> It suffices to say here that their attempts to contain his depredations were largely ineffectual, although it must also be conceded that the formation of an Institute of Architects from the 'respectable' members of the profession probably provided some guidance to those clients who were disposed to accept the traditional, gentlemanly conception of the architect's role.

Those on the second level of 'the system' - the builders and contractors - constituted a large and amorphous class. Their varied fortunes in this period are well illustrated in the 250 short 'lives' of 'Constructors and Builders' which appeared in Alexander Sutherland's Victoria and its Metropolis (1888).<sup>2</sup> For convenience they may be considered in three 'age-groups': those who were established as independent builders before 1860, those who commenced

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1

Chapter 4.

2

In this analysis I have included only those listed in Sutherland who were described as 'builders', 'builders and contractors', 'building contractors' or 'contractors'.

in the period 1860-1880 and those who began in the previous eight years (1880-8).

The number of builders and contractors who had set up business during the 'fifties and who survived to 1888 was quite small in relation to the great body of builders and contractors (about 26 or 10.5 per cent of the 247 whose date of commencement is known). Nevertheless, among them were some of the most powerful men in the industry. All but a few of them had been born before 1840: they were thus well into middle or even old age by the late 'eighties. They tended to be large city-based contractors rather than general or domestic builders. Men like David Mitchell, John Pidgon, Samuel Amess and T.W. Freeman each employed over 100 men; most of their business was concerned with the erection of large commercial, industrial or public buildings. They had interests not only in building, but in related enterprises, particularly the supply of building materials. Some owned timber and 'steam-joinery' establishments;<sup>1</sup> a number were shareholders in the largest of the Melbourne brick companies (the Hoffman Brick Co.);<sup>2</sup> a group of them constituted the Melbourne Builders'

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1

E.g. T.W. Freeman, Richmond.

2

Samuel Amess, John Pigdon, Thomas Cochram, John Peacock, John Weir and two large contractors who arrived later (Robert Gamlin and Alfred Nation). See Hoffman Minutes, 13 February 1888, pp.169-171.

Lime and Cement Company.<sup>1</sup> Several had interests in suburban real estate. By the 'eighties they had often attained to positions of some eminence in local, and even colonial, affairs. David Mitchell, the contractor for the Exhibition Buildings, had interests in lime and brick works and pastoral properties. John Pigdon and Samuel Amess had each been raised to the chief magistracy of the City of Melbourne. Others, like Councillors James Holden of Fitzroy, John Beatty of Prahran, William Smith of Collingwood and William Davison of Richmond enjoyed eminence in their own localities.

Those who had become builders in the years between 1860 and 1880 (79 or 32.0 per cent of the whole) fell into three classes. There were, firstly, those who had arrived as immigrants during the 1850s (34 or 43.0 per cent of the group). These had usually worked as journeymen in the intervening period; some, however, had come to the colony as youths and had been trained, often by their fathers, before commencing on their own account. Their experience was therefore similar to that of the native-born (14 or 17.7 per cent).

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1

Mitchell, Ireland, Pigdon, Amess, Peacock, Gunn, John Wright, T.W. Freeman, Gamlin, Nation, Cochram, Charles Butler (see Memorandum of Association (1874) in M.U. Archives). A large, though declining, proportion of the company's business was done with its shareholders. It was noted in the Directors Report 1884-5 that the proportion of business transacted with shareholders had declined from  $32\frac{1}{2}$  per cent to  $16\frac{1}{2}$  per cent.

Of those who were born overseas and came to the colony in the years 1860-80 (21 or 26.6 per cent), most seem to have arrived in the years around 1867, 1872 and 1878; these dates correspond to peaks in colonial building activity.<sup>1</sup>

The third, and perhaps the most interesting, group of builders at work in 1888 - those who had become established in independent business during the previous eight years - was also the largest (142 or 57.5 per cent of the whole). The relative size of this group is confirmed by an examination of Directory entries: only 105 of the 306 'builders and contractors' listed in 1888 were so listed in 1883. Analysis by birth place shows that 38 (26.8 per cent of the whole) were born in the colony - most of them in Melbourne but several in the mining districts. As we might expect, the native-born tended to be young (average age 28.4 years in 1888) and had usually worked as journeymen for no more than a few years; some, in fact, had emerged fresh from their indentures into independent business. There was a small group (10 or 7.0 per cent) who were born in other colonies, particularly South Australia. We know that there was a recession in building in that colony from about 1880:

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1

See graph 'Bricks and Timber Manufacturing' in A.R. Hall, The Stock Exchange of Melbourne and the Victorian Economy 1852-1900 (Canberra 1968), p.56 and N.G. Butlin, 'New Residential Investment' in Investment in Australian Economic Development 1861-1900 (Cambridge 1964), p.229.

South Australia was 'well rid of a lot of jerry builders' and 'in West Brunswick a place sprang into existence called Irish Adelaide'.<sup>1</sup> (This pattern of intercolonial migration seems to have been duplicated among tradesmen: in the period 1885-8 the Stonemasons' Society received 20 members transferred from South Australia, 12 from New South Wales and 5 from Queensland.)<sup>2</sup> The third sub-group comprised those who were born in some overseas place, especially Britain (93 or 65.5 per cent of all who began business during the decade). Most of these had actually migrated to Victoria during the 'eighties (52 or 55.9 per cent), although there were also large numbers who had arrived during the 'fifties (18), 'sixties (6) and 'seventies (17) and had worked as journeymen until the boom of the 'eighties created the conditions for their translation into independent business. The new immigrant builders tended to be older than the natives (33.0 years as against 28.4 years in 1888). Most of those who had immigrated and commenced business in the 'eighties had journeyed directly from their birth place: almost a third (30.8 per cent) had embarked for Victoria from South Australia (5), New Zealand (6), Queensland or New South Wales (5).

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1

A.B.S.G., 19 June 1890, p.87.

2

Operative Stonemasons Society of Victoria (Central Lodge) - Minutes of General, Special, half-yearly, annual and committee meetings. [Stonemasons Minutes] 1885-88. (A.N.U. Archives [117/1]).

The newcomers, both native and immigrant, tended to establish their businesses in the new and expanding outer suburbs rather than the older building centres in the city, Richmond and St Kilda. Table 3.2 (below) presents figures, based on Directory entries for 1888, showing the suburban distribution of old-established builders, newly-established builders previously resident in the city (1883) and builders who appear in the Directory for the first time between 1883 and 1888.

TABLE 3.2

SUBURBAN DISTRIBUTION OF 'BUILDERS' BY TIME OF ESTABLISHMENT

|                       | 'Old Builders' | 'Old Residents' | 'New Builders' | Total |
|-----------------------|----------------|-----------------|----------------|-------|
| 'Old' Suburb          | 79             | 30              | 40             | 149   |
| 'Transitional' Suburb | 15             | 20              | 36             | 71    |
| 'New' Suburb          | 11             | 17              | 58             | 86    |
| Total                 | 105            | 67              | 134            | 306   |

Among the 'new' suburbs, builders seem to have been especially attracted to Hawthorn and Footscray.

The passage of journeymen into the ranks of the builders and contractors, unlike that of builders into the realm of architecture, was a conventional one: it was the fulfilment of the tradesman's legitimate aspirations. The absence of formal barriers between

tradesmen and masters was commonly said to explain their generally amicable relations.<sup>1</sup> Their ascent was further facilitated by the liberal finance which was available to builders during the late 'eighties. While banks and insurance companies sometimes advanced very large sums to the old-established larger contractors,<sup>2</sup> these loans rarely covered more than half of the estimated value of the security. Building societies, on the other hand, offered finance which admirably suited the requirements of the small domestic builder with small capital and a high turnover. They advanced smaller sums, but their loans covered a much higher proportion of the total cost of a project.<sup>3</sup> In these

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1

R.C. Brown (President of Builders and Contractors Association) in a speech to the Amalgamated Society of Carpenters and Joiners. A.B.C.N., 27 June 1891, p.510.

2

Most of those builders who borrowed from the Australian Mutual Provident Society were, in fact, large city contractors (e.g. Gunn and John Pigdon) (from Mortgage Loans Ledger of A.M.P. Society which I inspected for the years 1883-4 and 1889 and which is deposited in M.U. Archives). On the lending policy of the Society see the useful essay of Douglas J. Weir, 'Can the Records of the Australian Mutual Provident Society for the period 1885-1896 throw any light on the Economic fluctuations of this period, with particular reference to Victoria?' (Economic History B Essay, Department of Economic History, University of Melbourne, n.d.)

3

Even in 1888 the great majority of 'builders' (so described) applying for loans to the Modern Permanent Building Society wanted sums of less than £1000. Nevertheless there were some 'builders' who obtained loans of as much as £3000 to build rows of shops or dwellings. (From Modern Permanent Building Society Loan Applications [M.P.B.S. Loans] deposited in A.N.U. Archives.)



circumstances a builder with as little as £10 or £20 of capital could undertake, even if he could not discharge, quite large speculative commitments.

The practice has been for men to purchase land with a small deposit, and then make application to the [building] society for a loan, the security being valued say land £100, new building £300, total £400. The society offers, say again £300, which is accepted. The builder then sets to work to 'make a show' as it is called, and obtains material on the strength of his loan. When the usual 28 days are up, in which he had to pay for his land, he applies for a draw, and upon the strength of the work done obtains sufficient to pay for the land. Then he is always so much behind hand; so when the buildings are finished he is unable to pay the timber merchant for the last lot of goods supplied, generally the most expensive, such as doors and sashes....<sup>1</sup>

This practice was simply an extreme variation upon the common theme of speculative building finance: the attempt to turn over a relatively small stock of borrowed capital quickly enough to take effective advantage of the widening gap between the basic construction costs and the inflated market value of houses. By the late 'eighties some building societies were tacitly condoning these practices by 'touting' for builder-borrowers.<sup>2</sup>

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1

A.B.S.G., 13 March 1890, p.573, also see Daily Telegraph, 24 February 1890, p.6A.

2

Ibid., 30 January 1890, p.505. However, there were moves among other societies to have a 'black list' of bad builders circulated among the various financial institutions (ibid., 8 May 1890, p.4).

Credit institutions, then, certainly helped to lower the financial barriers against the upward-striving journeyman. But his continued success called for business and managerial resources which were more hardly procured. The plain tradesman, prodded or tempted to undertake commitments beyond his limited capacity, was a common and pathetic figure:

Mr Dowling... is one of that large army of men with only a limited amount of brainpower, but that has a wife that aspires to great things. The man is a very good workman and could do very well as a journeyman and would be quite satisfied with his position as such. But not so with his wife. She is a regular corn-fed Yankee, and likes to talk about my husband Mr Dowling the Contractor. Poor fellow, he can scarcely write his own name and knows no more about a plan or the value of Plastering than I do of Greek. And yet he is compelled to move along in a business that he is quite incompetent to manage himself just to satisfy the vanity of his wife. However, so far she seems to have managed him fairly well [;] they have just built a splendid house of their own and they have furnished it splendidly. What a tremendous loss to a fellow the want of a little business knowledge is. This man has paid me [Gray] £14.10.0 during the last month for making his tenders - and a considerable sum before that.<sup>1</sup>

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1

George Gray, loc.cit., 25 December 1885. M. Dowling (see Alexander Sutherland, op.cit., II, p.635) was an Irishman who went to England for six years, proceeded thence to New York where he was in business for nine years and, presumably, married his 'corn-fed Yankee' wife, and finally arrived in Victoria in 1877. He went into business as a plastering contractor in 1882.

It was partly in response to this disjunction of practical and managerial talents, partly to the growing importance of purely speculative elements in building, that it became common to separate the dual functions of the traditional 'master-builder'. The journeyman became an independent businessman but undertook only the limited managerial functions of a 'sub-contractor'. The finance, planning and general direction of domestic building became the province of a 'speculator-builder'.

Many of those who described themselves as 'builders' - for example in loan applications to financial institutions - do not appear under this description in the Directories.<sup>1</sup> Unlike those who thus advertized their ability to perform building jobs on a contractual basis, these other 'builders' were not tradesmen or contractors at all but simply the financiers and coordinators of teams of sub-contracting carpenters, bricklayers, plasterers and plumbers. Sometimes they were petty landlords - men who had 'worked their way up' and wanted to 'build a few houses as an investment'.<sup>2</sup> Others were tradesmen in the employ of a master builder who built houses as a 'spec' in their spare-time.<sup>3</sup> Some, however, had no particular

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1

M.P.B.S. Loans. 'Builders' 1888.

2

A.B.C.N., 26 October 1889. p.398.

3

M.P.B.S. Loans.

connection with the building industry: they were clerks, professional men, shopkeepers or other small businessmen.

Sub-contracting was a practice which permitted a more flexible application of labour than could be achieved under a master-builder, whose work programme had to be fitted to the constant employment of fairly fixed numbers and proportions of tradesmen. It also called for less capital and so promoted the mobility of many small tradesmen into the ranks of employers:

Few master-builders possess sufficient capital to enable them to employ permanently a fixed staff of excavators, bricklayers, carpenters, plumbers, decorators, carters etc.,...A specialist, ie a master sub-contractor of the various trades just specified, working with his men himself, operates more cheaply than the contractor in chief 'hampered by the many supervisory expenses of foremen, rent and taxes, interest on capital, fire insurance, wear and tear of plant, office expenses etc. etc.'.<sup>1</sup>

This trend was particularly noticeable among plumbers, plasterers and slaters. At the 1891 Census, 16.3 per cent of all plasterers, 23.8 per cent of all plumbers and 17.4 per cent of all slaters were employers or self-employed.<sup>2</sup>

Sub-contractors and speculator-builders were usually identified as the principal exponents of

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1

Charles Junor Heap, Age, 17 July 1890, p.5G.

2

Census 1891 'Occupations'.

'jerry-building'.<sup>1</sup> The number and variety of their offences against sound building were notorious: foundations were set in only inches of soil and were allowed insufficient time to settle; floors were laid against damp earth; walls were erected from second-hand bricks or brickbats and without a damp course; drains were laid with scant regard for ventilation or levels and water piping was imperfectly jointed; frames and roof timbers were fashioned from green or stringy timber; windows and doors were set in warped frames.<sup>2</sup> That the work of sub-contractors and speculators was particularly susceptible to these faults is to be attributed, not simply to fraudulent intentions - though the ethics of some builders were lax - but equally to the inferior supervision and workmanship which the system tended to promote. The speculator-builder was not always trained, like a master-builder, to detect faults and usually was not present on the job to correct them before they became irrevocable. Furthermore, sub-contractors, particularly those with large teams of workmen, often sub-divided the journeyman's several tasks between small, specialized groups of semi-skilled

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1

See, for example, the series of cartoons 'The way we build now' in Melbourne Punch during 1882. These were based upon a series with the same general title which appeared in London Punch about 1876 (reproduced in H.J. Dyos, loc.cit., p.681).

2

A.B.C.N., 17 September 1887, p.298, 2 June (p.354), 21 July (p.46), 4 August (p.92) 1888, 28 December 1889 (the last reproduced in Argus, 4 February 1890, p.8G).

'improvers'. The result, according to several witnesses, was 'a notable decline in domestic art'.<sup>1</sup>

The building industry as a whole was divided over the legitimacy of speculative building and sub-contracting. However three very rough groupings of persons and opinions may be distinguished. There were, firstly, the sub-contractors and speculators themselves. These, as we suggested earlier, seemed to regard silence as their best defence and eschewed association with other builders. For this reason alone, it is most difficult to discover impartial evidence of their attitudes and activities. Many of the speculative builders probably did not advertize, give quotations or bid for contracts: they were, therefore, practically anonymous.<sup>2</sup> The second group was the solid core of 'established' Melbourne builders and contractors. The Builders and Contractors' Association of Victoria (B.C.V.) founded in the mid-1860s, was the preserve of men like John Pigdon, Charles Butler, David Mitchell and T.W. Freeman whose fortunes were well-established by the 1860s and 70s and whose interests, very largely, were those of the large city-based contractors. They saw themselves as managers and employers rather than as master-craftsmen.

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1

T.A. Sisely (architect), A.B.C.N., 6 September 1890, p.179.

2

The only apologist for the sub-contractor whom I have discovered was the writer of the letter signed Charles Junor Heap in the Age, 17 July 1890, p.5G (quoted above.)

The third group comprised the recently-established, skilled and usually immigrant master-builders. Members of this class seem to have been more likely to have completed a formal apprenticeship than the established builders or the speculators.<sup>1</sup> They continued to maintain friendly relations with their workmen and had little sympathy with the members of the Builders and Contractors' Association of Victoria. It was men of this type who banded together in 1888, to form the Victorian Builders and Contractors Association (V.B.C.). At their inaugural meeting the chairman of the new

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This view is suggested by an analysis of the Sutherland biographies

|                              | -1860 | 1860-80 | 1880s |
|------------------------------|-------|---------|-------|
| Apprenticeship mentioned     | 12    | 40      | 110   |
| Apprenticeship not mentioned | 13    | 30      | 32    |
| % Apprenticeship mentioned   | 48.0  | 57.3    | 77.5  |

This table, however, is scarcely conclusive. The fact that a well-established master-builder does not mention his apprenticeship does not establish that he was not apprenticed. David Mitchell's entry, for example, does not mention his apprenticeship although he was apprenticed as a stone mason (see John Hetherington, Melba (Melbourne, 1967), p.16). Of those who were apprenticed a larger proportion were being apprenticed in Australia; but the percentage of Australian-born builders who were apprenticed does not seem to have risen. Builders apprenticed in Australia were usually described as having been apprenticed to 'building'; immigrants tended to refer to a particular branch, carpentry, bricklaying, etc.

association (William Davison) offered reasons for their estrangement from the old:

There was already, as they knew, one Builders' Association in Melbourne - the old association; but it was an association for a few, not for all. Its members were principally men who had reaped their harvests in the past, when the cream of the contracting was to be had....They were men who, however worthy they might be, did not understand the experiences and difficulties that contractors had to contend with nowadays.<sup>1</sup>

By October 1888 the new Association had 56 members.<sup>2</sup> Almost all of them were general builders based in the suburbs; the majority were newly-established immigrants.<sup>3</sup> Membership was open to 'builders and contractors of good moral character who may be duly elected'.<sup>4</sup> It was probably significant that the membership dues (£1 upon entrance and £1 a year)<sup>5</sup> were rather less than those of the B.C.V. The V.B.C., showed itself to be much firmer in its attachment to 'the system' than the older association. Many of its members were recent immigrants who, perhaps, retained a strong sense of

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1

A.B.C.N., 23 June 1888, p.417.

2

Ibid.

3

From an analysis of members mentioned in reports of meetings with reference to Sutherland entries and Directories.

4

A.B.C.N., 23 June 1888, p.417.

5

Ibid.



the industry's 'proper' structure. In August 1889 the Association debarred sub-contractors from its membership.<sup>1</sup> Many of its members were also recently 'promoted' from the ranks of the journeymen: they were thus a little more readily disposed to entertain workmen's claims for better pay and conditions.<sup>2</sup>

Age, colonial-experience and differing notions of their place in the industry had thus combined to set 'old' and 'new' builders apart. It was perhaps inevitable, however, that, with the passage of time, the two groups should come to recognize a fundamental identity of interests. Early in 1889 the 'junior' association enlisted the support of their 'seniors' in pressing for trade concessions from building suppliers.<sup>3</sup> In November of the same year the B.C.V., became interested in a proposal for the erection of a large Builders' Exchange in the centre of the city.<sup>4</sup> It was envisaged that over 1000 members - architects, surveyors, timber merchants, engineers, brick-makers and builders - would be accommodated in the new premises. The idea was an obvious extension of the 'Commercial' and 'Stock' Exchange principle;<sup>5</sup> like

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1

Ibid., 13 July 1889, p.29.

2

See, for example, their sympathetic response to the demands of carpenters for a 44 hour week and graduated overtime (Ibid., 25 August 1888, p.169).

3

Ibid., 16 February 1889, p.167 and 30 March 1889, p.297.

4

Ibid., 16 November 1889, p.470-1.

5

See Chapter 1.

those institutions, the Builders Exchange would incorporate information and advertizing services. It was essentially an attempt to solve, at one stroke, the complex problems of misinformation and incoordination which afflicted a too-rapidly expanding industry. By mid-December the B.C.V. was satisfied that it could expect the support of a sufficient number of tenants and decided to proceed with the project.<sup>1</sup> The 'junior association' was not consulted about the scheme and, early in 1890, it voiced its displeasure by threatening to found a rival establishment.<sup>2</sup>

It was evident that the success of an Exchange depended very largely upon its general acceptance:<sup>3</sup> the B.C.V., therefore called upon the V.B.C. to join in the project.<sup>4</sup> A joint meeting decided that the 'new' association should have equal access to membership and representation on the committee of the Exchange.<sup>5</sup> Now that the two associations had so far admitted their mutual dependence, it was more

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1

Ibid., 14 December 1889, p.565.

2

Ibid., 15 February 1890, p.758.

3

Cf., the unproductive rivalry between the Stock Exchange of Melbourne and the Melbourne Stock Exchange (see A.R. Hall, op.cit., pp.178-192).

4

A.B.C.N., 1 March 1890, p.805.

5

Ibid., 8 March 1890, p.825.

difficult to justify their continued separation.

'What' asked the Builder

is the use of two associations having for their raison d'être one common object, spending their time and wasting their energies in wrangling and miserable, contemptible jealousies...?<sup>1</sup>

There were other issues arising in which their interests were similar and their united efforts more likely to be productive. Both associations had advocated a Contractors' Lien Bill designed to guarantee the contractor a lien upon the land and building of an owner whose title or credit was doubtful.<sup>2</sup> As the entire structure of ownership became loosened by speculation and borrowing, the builders became more disquieted. Furthermore, the nature of contractual relations between architect and builder was becoming a subject of dispute.<sup>3</sup> On both these matters, it was

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1

Ibid., 8 March 1890, p.818.

2

A bill embodying provisions to protect the contractor by giving him the right to inspect the proprietor's title and to a lien upon an insolvent owner's property was passed by the Legislative Assembly in 1889 and 1890. On both occasions, however, it was discharged by the Legislative Council at the end of the Session. The objections of Legislative Councillors were obscure but seemed to be founded upon a general distaste for 'special' protective legislation and a belief that, as Sargood put it, 'the contractors were powerful and wealthy and well able to look after themselves'. (V.P.D., 68/1891, p.3412.)

3

A.B.C.N., 10 May 1890, p.1012.

clearly advantageous to have a united stand. In April 1890 the committees of the V.B.C., on behalf of its 80 members, and of the B.C.V., representing 120 members, commenced negotiations.<sup>1</sup> Opposition to an amalgamation was strongest among some members of the junior association,<sup>2</sup> but a compromise was reached and the two associations were joined, as the 'Builders and Contractors Association of Victoria' in May 1890.<sup>3</sup>

It was soon evident, however, that the zeal of the young men outran the patience of their seniors. In June 1890 a former member of the 'new Association' raised the vexed question of sub-contracting and speculator-building:

He thought it highly desirable to have it thoroughly and clearly understood, who the class of persons were who were eligible for election to membership of the Association, and not leave the matter so vague that even bakers, butchers, parsons or anybody who might choose to become speculative builders could come in. He thought the best way would be to draw a clear line and allow only those to be eligible to membership who took the contracts from the architects.<sup>4</sup>

In the debate which followed, the division of opinion was not entirely along the old lines, although most of

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1

Ibid., 26 April 1890, p.989.

2

Ibid.

3

Ibid., 10 May 1890, p.1012.

4

Ibid., 21 June 1890, p.1144.

the speakers opposing the proposal were from the 'old' Association and all but one of its supporters was from the 'new'. The arguments for exclusion rested on the view that the Builders and Contractors Association ought to be a kind of guild responsible for ensuring the honesty and competence of its members. It was pointed out that the 'London Society' excluded sub-contractors and it was strongly suggested that speculation, jerry-building and sub-contracting were associated practices. Opponents of exclusion, on the other hand, did not usually defend sub-contracting as a practice although one member 'took the Darwinist view [that] ...the contractor had evolved the sub-contractor which was, therefore, rather a higher grade'.<sup>1</sup> Most arguments rested on more practical considerations: exclusion would weaken the Association at a time when the Lien Bill was under consideration; it was premature and over-enthusiastic; it would be unfair to present members who were sub-contractors. The weight of opinion was with practicality and the motion failed.<sup>2</sup>

One of the most disrupting effects of the boom was to create conditions of acute under-supply in the market for skilled building tradesmen. The artisans were now, as one builder bemoaned, 'quite masters of

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<sup>1</sup> Ibid. (Taylor).

<sup>2</sup> Ibid.

the situation!.<sup>1</sup> They could exploit their favourable bargaining position to exact just such a mixture of work and leisure as they preferred. To the master, of course, these conditions were a source of constant irritation and delay. George Gray left the building site one day to transact some business in the city:

...when I returned to my work I found one of the masons in my employ beastly drunk. So I paid him off and have not been able to get another in his place as yet. And has [sic] I am bound to time with the contract, I have been doing his work myself since work is very plenty full [sic] here just now and wages are high and the men are very impudent and lazy in consequence [;] their religion appears to be to do as little work and get as much money and beer as possible.<sup>2</sup>

The supply of skilled labour was fairly inelastic. Neither the immigration of journeymen nor the training of apprentices could be precisely adjusted to the needs of so unstable a market. The internal sources of supply were notoriously unreliable. Of those Victorian natives who became skilled tradesmen, a striking number seem to have been taught by their immigrant journeymen fathers.<sup>3</sup> Apprenticeship appears to have broken down almost completely in most trades: in 1888 a committee of the Trades Hall Council discovered that in most of the 38 trade societies

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1

Gray, Letters to England, 20 February 1886.

2

Ibid., 8 March 1885.

3

See above.

which they consulted, there was no proper system of indenturing, that boys were hired simply to suit the convenience of employers and that the ratio of 'apprentices' to journeymen was too high (about 1:1) to permit effective training.<sup>1</sup> The second source of supply - immigration - seems to have assumed large importance. It was noticeable that 'the best work on nearly all jobs was done by workmen from the Old Country'.<sup>2</sup> Immigration figures,<sup>3</sup> general and imprecise though they are, reveal a great bulge in the immigration of carpenters and other skilled tradesmen, especially in the years 1882-5, the years of the great slump in the British building industry.

Nevertheless, this supply seems to have fallen away in the late 'eighties and master builders were compelled to rely, at least temporarily, upon unskilled

1

Argus, 22 February 1888, p.6D and A.B.C.N., 17 October 1891, p.312.

2

Inskip (architect), A.B.C.N., 7 September 1889, p.221.

3

The figures in the Victorian Statistical Registers are for immigration into all the Australian colonies. The series for carpenters and joiners is given below.

|             |            |
|-------------|------------|
| 1881 - 309  | 1886 - 796 |
| 1882 - 784  | 1887 - 407 |
| 1883 - 2137 | 1888 - 406 |
| 1884 - 1049 | 1889 - 233 |
| 1885 - 763  | 1890 - 198 |

labour. Once introduced, however, the 'improver' tended to become a permanent component of the workforce.

When a period of brisk trade comes, instead of employing competent workmen, a number of boys are taken on, and, if business continues good, they may have a fair chance of being kept on till they serve the term of apprenticeship customary to their particular branch of trade. Should trade decline, however, they are liable to be turned adrift, or the men are discharged and the boys kept on because they are cheaper to the employer.<sup>1</sup>

If the 'improver' was peculiarly associated with conditions of excess demand and under-supply, it is reasonable to suppose that he would be rampant in those trades which underwent the most rapid expansion during the boom. Table 3:1 partially confirms this supposition. Plastering and bricklaying - which were said to be nests of 'improvers'<sup>2</sup> - grew rapidly; the masons - which remained predominantly skilled - very little. But carpentering - where 'improving' was said to be rife - also grew less than most.

'Improvers' were to be found, not only where the demand for skilled labour outran a relatively fixed supply. They were also prominent where unskilled labour was most adaptable to a trade or where the opposition of trade societies was least effective.

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1

Argus, 22 February 1888, p.6D.

2

A.B.C.N., 17 October 1891, p.317 and *ibid.*,  
23 November 1889, p.499.



The 'improver' system was well suited to the developing technology of certain sections of the suburban house-building trade. Most builders, in this area, tended to operate on the basis of replicating a few well-practised designs. Thus, a virtually unskilled man could learn a single phase of the work and repeat it from job to job. Furthermore, much of the skilled joinery which used to be performed by the journeyman on the job was now being either imported ready-made or was being produced according to standard patterns at the timber-yard and had only to be assembled by 'outside' workmen.<sup>1</sup> Plaster work, too, was being manufactured in this fashion. By contrast, masons, bricklayers and plumbers had tasks less fitted to pre-fabrication or intense specialization.

The introduction of 'improvers' was regulated, thirdly, by the relative success of the various unions in keeping them out. This, in turn, was related both to the strength and bargaining position of the unions. No union, to judge from such poor statistics as we

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1

A.B.S.G., 1 August 1887, p.142 and Freeland, op.cit., p.178. 'It was in the 'eighties that building took a definite turn away from being a work of craft lovingly created by hand on the site to being a process of assembling units made elsewhere by machines. Plasterwork, pressed metal sheets, window sashes and frames, doors and their frames, skirtings and architraves, together with fittings such as hinges, lathes, pipes, basins, were all available off the shelf. The builder put them together and the highly skilled craftsman languished and soon perished.'

have,<sup>1</sup> claimed the membership of more than a fraction of eligible tradesmen. Yet there was still an appreciable difference between the strength of, say, the Masons and Bricklayers, on the one hand, which claimed some 20-25 per cent of their constituent trades and the Carpenters, on the other, which claimed no more than about 7-10 per cent. It may be argued, secondly, that the masons and, to a lesser extent the bricklayers were in a stronger bargaining position than the carpenters: a larger proportion of them expected to remain employees and to work in teams under large contractors while carpenters probably had better prospects of self-employment and were largely dispersed among a host of small firms.<sup>2</sup> They were thus, perhaps, less susceptible to the appeal of unionism and more difficult to organize.

Among builders it was usually said that the only way to end the 'improver' system and restore 'the olden spirit of excellence' was for the trade societies to adopt the exclusive rules of a strict craft union:

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1

Alexander Sutherland, op.cit., II, p.588, quotes some rather rough and rounded figures which I have set beside the 1891 Census returns for Melbourne metropolitan area.

2

Stonework was common only on large buildings; brickwork was used almost universally, timber was used throughout only on small domestic or commercial buildings. The proportion of masons who were employees was 91.8 per cent at the 1891 Census; bricklayers (88.9 per cent) and carpenters (86.6 per cent) were rather less.

If they, instead of concentrating all their persistency upon the matter of wages, would endeavour to make membership of each union a badge of competency, it would be found that men so admitted would be fully prized by employers and the necessity for such alertness as is now exhibited to prevent the wages' standard from encroachment would no longer exist.<sup>1</sup>

But the success of such a proposal depended, in turn, upon the highly questionable assumption that employers would extend preferential treatment to the members of such a union.

The attitudes of the various unions towards sub-contracting and the introduction of 'improvers' were, broadly, in conformity with the foregoing account of their constituent trades. The Stonemasons, who were probably most successful in resisting these practices, were sustained by a strong sense of their role as the historic leaders of the Victorian labour movement.<sup>2</sup> In February 1887 and again in mid-1890

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1

A.B.C.N., 30 August 1890, p.153. A similar article in ibid., 13 October 1888, p.316.

2

For their role in the struggle for the Eight Hour Day see Helen Hughes, 'The Eight Hour Day and the Development of the Labour Movement in Victoria in the Eighteen-Fifties' in Historical Studies, vol.9, no.36, May 1961, pp.396-412, 'Bluestone: The Story of James Stephens' in Clive Turnbull, Australian Lives (Melbourne 1965), pp.23ff., Report of the Committee appointed by the Victorian Operative Masons' Society to inquire into the origin of the Eight Hours Movement in Victoria adopted Annual Meeting June 11 1884. (A.N.U. Archives E117/68B311). The Masons were extremely jealous of their right to lead the Eight Hours' Day Procession (see Stonemasons Minutes, 20 June 1888, p.443).

they reacted very sharply to reports that the Railways Department had permitted sub-contracting.<sup>1</sup> They showed a similar suspicion of anything that looked like piecework; the use of time sheets by an employer, even for his own costing purposes, was regarded as 'an intimidation'.<sup>2</sup> In March 1888 a motion was put before the Society to renounce sub-contracting or piece-work in any shape or form but an amendment was passed to put the question in the hands of a Committee.<sup>3</sup> Later in the month the Society complained, without effect, to the Institute of Architects.<sup>4</sup> In 1890 it was moved that a committee should confer with the Bricklayers,' Carpenters' and Plasterers' Societies upon the question. However, after debate, it was decided to exclude plasterers and carpenters from the proposed conference, presumably because they were regarded as 'unsound' on the question.<sup>5</sup>

The Bricklayers, whose members were more widely dispersed through the metropolis and whose services had been subject to heavier demand, were less successful than the Stonemasons in keeping their trade

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1 Stonemasons Minutes, 2 February 1887, pp.239-40.

2 Ibid., 6 July 1887, pp.301-2.

3 Ibid., 21 March 1888, pp.399-400.

4 Ibid., 4 July 1888, p.446.

5 Ibid., 16 July 1890, p.175.

free from sub-contractors and 'improvers'. Their Rules permitted the employment of one improver to every three journeymen.<sup>1</sup> Yet, as early as 1883 the Society had observed a tendency for the number of apprentices to outstrip the proper number of journeymen and had protested, unavailingly, to the Builders and Contractors.<sup>2</sup> By 1884 the problem had become acute and a committee of representatives of the Bricklayers and of other trade societies had held meetings in protest against the practice.<sup>3</sup> Little is known of their activities in the

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1

Minut Book of Comitty For Revising The Laws of the V.O.B.S., discussion of rule 49 (1873).

2

George Hills to Secretary of Contractors and Architects Association, 25 June 1883 (Letterbook of the Victorian Operative Bricklayers' Society).

3

A.W. Davies to [George Hills], 1 September 1884 in *ibid.* This committee was responsible for a Circular re Improver Question which was issued about the same time (in *ibid.*) and which reproduces a resolution of the delegates. 'We desire to point out the discreditable manner that work is done through the wholesale introduction of boys and improvers, who, directly they get handy, take contracts and scamp the work....There are Contractors, many of whom employ more boys than men....The Improver System is the cause of the reckless competition at present in existence....There was a time when it was considered an honour to be an apprentice, and we desire to call the attention of parents to the advisability of having their sons legally bound apprentices....Look at the advertisements in the papers every morning'. So many Improvers wanted. The public are led to infer that there is no skilled labour available, when the very opposite is the fact....In other countries we do not read of Improvers being wanted. In Great Britain it is considered a very great favour for a mechanic to get his son into a trade....'

second half of the decade but it is clear that, by 1890, at least, the Bricklayers were able to maintain their rules and organization only in the inner-city where the large contractors operated. In the suburbs, sub-contractors and 'improvers' reigned supreme:

Almost all jobs, except some of the biggest, are sub-let to sub-contractors or piece-workers, who through the great competition in the trade are almost forced to take a job at a very low figure.

The 'Bricklayer'<sup>1</sup> who made this statement also alleged that unionists were among those accepting work at sub-standard rates; but this was vehemently denied by the Society.

The Carpenters, on this as on most issues, were divided. The Progressive Society of Carpenters and Joiners had actually admitted 'improvers' since 1885<sup>2</sup> although its rival, the Amalgamated Society of Carpenters and Joiners had continued to exclude them.

It was their aim to enrol only competent workmen in their ranks, so that employers might know that when they employed members of the Amalgamated Society they would get men who would be able faithfully to discharge the duties entrusted to them.<sup>3</sup>

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1

'Bricklayer', Age, 12 July 1890, p.10H and article, ibid., 16 July 1890, p.5E.

2

Argus, 10 September 1885, p.7F and 23 September 1885, p.7A.

3

R. Hale at Annual Dinner of the Society. A.B.C.N., 29 September 1888, p.265.

Most unions in the building trade had taken advantage of inflated conditions of demand to press higher wage claims upon their employers: the Bricklayers and Plasterers, for example, had secured appreciable increases in pay and reductions of hours. As we have seen, however, the Carpenters' societies claimed only a fraction of all the carpenters in the trade; only the combined efforts of both societies and the support of a large number of 'non-society' men could be expected to affect any change in their conditions. But the 350 members<sup>1</sup> of the Progressive Society hesitated to support the 450 Amalgamated Society<sup>2</sup> members. In November 1888 the latter formulated demands for a reduction of working hours from 48 to 44 hours per week with no reduction of wages, for a graduated scale of overtime payments and for restrictions on the number of apprentices in relation to each skilled man.<sup>3</sup> On 30 November a 'mass meeting' of 150 members of both societies and non-society carpenters passed a resolution in favour of these demands.<sup>4</sup> It was expected that all members of the

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1

Argus, 31 December 1888, p.6B.

2

Amalgamated Society of Carpenters and Joiners - Typescript 'History of the Union', n.d., p.41 (in office of Building Workers' Industrial Union, Trades Hall, Melbourne).

3

Argus, 28 December 1888, p.9B for an account of carpenters' demands.

4

Ibid., 3 December 1888, p.9D.

trade would strike if the demands were not met. At a later meeting, however, the Progressive Society 'repudiated any strike' and resolved to ask for no more than had already been conceded to the Bricklayers and Plasterers.<sup>1</sup> Accordingly, the Amalgamated Society moderated its demand from 44 to 45 hours.<sup>2</sup> At the end of December, therefore, it seemed that the two societies would be prepared to sink their differences.

Early in January, however, seasonal slackness became evident in the building trade. The Builders and Contractors Association, which had yet to receive the Carpenters' demands, was confident that 'the present slackness of trade would quickly determine the issue'.<sup>3</sup> A few days later, the Progressive Society further moderated its demands; it now proposed merely to 'send a joint circular to the masters, couched in temperate language, asking them to concede to the carpenters the conditions under which the masons and bricklayers now worked.'<sup>4</sup> The Amalgamated Society, however, refused to entertain any further dilution of its demands; it simply withdrew them until conditions of trade and the

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1

Ibid., 20 (p.7A) and 29 (p.8H) December 1888.

2

Ibid., 31 December 1888, pp.4H-5A and 6B.

3

Ibid., 10 January 1889, p.5A. The timber merchants had already resolved to resist the carpenters' demands. Ibid., 8 December 1888, p.11A.

4

Ibid., 16 January 1889, p.5A.



strength of its membership seemed to promise a more favourable result.<sup>1</sup> Meanwhile the continued division of carpenters between two quarrelling societies both reflected and accentuated their trade's gradual subjection to the sub-contracting system.

By 1890, as the demand for bulding skills levelled off, the evils of sub-contracting became more apparent. Skilled journeymen in many trades were now compelled to compete with 'improvers' whom they had previously regarded as no better than unskilled assistants. There were cries for the re-establishment of the traditional relations of 'the system'. It is remarkable that most of the letters to the Age pressing this view seem to have been contributed by immigrant journeymen. 'Smudger', a painter,<sup>2</sup> contrasted his present position with his former security in the 'Old Country'; 'Reform',<sup>3</sup> a mason, advocated the traditional system of contracting which he had known in Scotland; 'British'<sup>4</sup> called upon the architects, as the traditional leaders of 'the system', to insert a clause in their contracts prohibiting sub-contracts. On the other side, 'An Unindentured Unionist'<sup>5</sup> presented

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1

Ibid., 18 January 1889, p.4H-5A.

2

Age, 19 July 1890, p.10H.

3

Ibid., 17 July 1890, p.5H.

4

Ibid., 18 July 1890, p.6C.

5

Ibid., 19 July 1890, p.10H. (my emphasis).

his case against the regulation of 'improvers' as a variant of 'Protection to Native Industry':

The protectionist policy has been adopted. Industries exist and our boys now find employment, and behold the very men, who rightly or wrongly claim to have done most to bring it about, now clamour for laws and make rules to defeat one of its principal objects. The fact is, however wise it may be to interfere with the laws of supply and demand between communities, it is unwise to interfere with these laws as they exist between individuals of a community where the only effect of interference can be to prevent the acquirement of knowledge by our own children, while the places of skilled tradesmen are filled from abroad.

He pointed out that the present state of the building industry did not represent a decline from some 'golden age'; 'as a matter of fact fully half the tradesmen of Melbourne, and that not the inferior half, were never bound'. His claim was probably justified. But the appeal to 'the system' as the customary and proper form of organization in the industry was based upon the experience of builders and journeymen, not in Melbourne, but in the British building industry to which, in spirit, they still belonged.

In the course of the 1880s the structure of the Melbourne building industry was subjected to opposing forces: one, the force of tradition, moved architects, builders and tradesmen to preserve the customary and protective rules of the British building industry; the other, the force of competition, tended to dissolve

traditional rules and structures and to impose the more flexible and contingent rules of the market-place. In conditions of plenty, competition was generously rewarded and, as we have seen, Melbourne's builders and tradesmen submitted themselves freely to its régime. Late in 1888 the building boom had reached its peak; by 1890 it had expired. The forces of competition which had so lately seduced the builders of Melbourne, now ground them into the dust.

The depression of the early 'nineties threatened not only the builders but also those, like builders' suppliers and manufacturers, who depended on them. Many, indeed most, timber merchants had extended liberal credit to builders, often upon poor security; only the most circumspect<sup>1</sup> survived. The brick manufacturers, too, went through a testing period. The fortunes of the Hoffman Company were illustrative of the readjustments which depression in the building industry imposed upon suppliers.

Brick production reached a peak in 1888; thereafter it declined continuously and precipitously. From a peak of about £3000 a week in 1888, Hoffman's sales plummeted to £1000 in early 1890, £300-400 in mid-1891 and finally bottomed at £50-60 in June 1893.<sup>2</sup> The directors introduced economies: reductions in

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1

J. Wright and Co., A Century of Timber (Melbourne 1953), pp.17-18.

2

Hoffman Minutes (weekly figures).

staff and directors' salaries<sup>1</sup> and a general retrenchment in investment and experimentation.<sup>2</sup> In 1890 the Northcote Company reduced cartage rates by 10 per cent,<sup>3</sup> and Hoffman's attempted to introduce boy labour into trucking.<sup>4</sup> Though their employees went on strike in protest, this merely provided the Company with an occasion to make further reductions: the fires were put out at both their main works. In 1892-3 the Company tried at least three expedients in its struggle to survive: in May 1892 a plan was accepted for the gradual amalgamation of the 13 principal brickyards within nine miles of the city. Although the Cooperative Brick Company did not get fully under way until 1896,<sup>5</sup> as a first step, the amalgamating companies signed a price agreement in June 1892.<sup>6</sup> Secondly, the Company extended the use of boy labour and introduced a 'piece-work' or contract system throughout the works.<sup>7</sup>

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1 Ibid., 29 April 1889, p.152.

2 Ibid.

3 Northcote Brick Company, Minutes of Directors [M.U. Archives] 23 January and 1 February 1889 and A.B.C.N., 26 January 1889, pp.122-3.

4 Argus, 17 April 1890, p.8D, 21 April 1890, p.8F, 26 April 1890, p.11C.

5 See various records of the company in M.U. Archives.

6 Argus, 17 June 1892, p.6D. Hoffman Minutes, 20 May 1892, p.65.

7 Hoffman Minutes, 15 March 1893, p.172, 13 May 1891, p.201, 28 September 1892, pp.119-20.

Finally, the directors were able to negotiate or renew a number of loans to buoy it against recurrent and very heavy losses.<sup>1</sup> For most of 1893 the Board was occupied with the wearisome tasks of staving off creditors and prodding shareholders. Yet, with other brick companies crashing about them, it was a triumph simply to survive.

The transmission of downward pressure from client to management and from management to employee was evident, not only in the market for building supplies, but also in the constructional section of the building industry. The boom had promoted upward mobility; depression curtailed and even reversed it. Economic expansion strengthened the producer at the expense of the consumer; economic contraction restored the client to dominance at each level of the industry. As the 'proprietor' pressed the architect, so did he make heavier demands upon the builder who, in turn, imposed them upon the hapless journeyman.

The architects were among the first to suffer the pains of depression: the supply of commissions dwindled even while construction continued. The Architects' Institute and the Architectural and Engineering Association struggled to maintain the subscriptions and interest of their members.<sup>2</sup> Scarcity

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<sup>1</sup> Ibid., 24 August 1892, p.106, 14 September 1892, p.114, 16 November 1892, p.135, 25 January 1893, p.155.

<sup>2</sup>

Some architects were said to have 'sought fresh fields and pastures new in other parts of the world', A.B.C.N., 29 July 1892, p.50. Small attendances at meetings of Institute. Ibid., 2 December 1893, p.269. Members defaulted with fees. Ibid., 11 March 1893, p.97.

interposed new and less honourable relations between client and architect; the latter now submitted to the indignity of 'bidding' for commissions in 'architectural competitions' and occasionally transgressed the traditional ban upon advertizing.<sup>1</sup> The relations of builders and architects were also modified: the 'qualified' architects now sought to reduce competition within the profession by delimiting its boundaries so as to exclude the 'unqualified' architect-builders. However, as we shall see, the Architects' Registration Bill, through which this object was to be achieved, failed to pass the Legislature.

By 1892 the constructional, as well as the architectural sections of the building industry, were in virtual collapse. R.C. Brown, the president of the Builders and Contractors Association claimed that

...no interest has suffered more by the prevailing depression than that of the building trade. So keen has the competition amongst builders become that many of our members have turned to other pursuits, while others have left the city.<sup>2</sup>

It is difficult to measure the extent of this collapse and to isolate its main sufferers. There were 345 builders listed in Sands and McDougall's 1888 Melbourne Directory; in 1894 there were only 242. However, of those listed in 1888 no more than a third (109) were so listed in 1894.

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1

See chapter 4.

2

Argus, 16 July 1892, p.50.

Which builders were most likely to survive?  
 Tables 3.3 and 3.4 (below) present an analysis of  
Directory entries in 1888 and 1893.

TABLE 3.3

SURVIVAL OF BUILDERS BY TIME OF ESTABLISHMENT

|                            | Established<br>pre 1883 | Established<br>1883-88 | Total |
|----------------------------|-------------------------|------------------------|-------|
| Survivors<br>1888-1893     | 66                      | 43                     | 109   |
| Non-survivors<br>1888-1893 | 97                      | 131                    | 228   |
| Total                      | 163                     | 174                    | 337   |

TABLE 3.4

SURVIVAL OF BUILDERS BY SUBURB OF ACTIVITY

|                          | 'Old'<br>Suburbs | 'Transitional'<br>Suburbs | 'New'<br>Suburbs | Total |
|--------------------------|------------------|---------------------------|------------------|-------|
| Survivors<br>1888-93     | 66               | 15                        | 28               | 109   |
| Non-survivors<br>1888-93 | 97               | 46                        | 85               | 228   |
| Total                    | 163              | 61                        | 113              | 337   |

Two conclusions emerge: firstly, that 'old-established' builders were more likely to survive the crash (and that, conversely, the great majority of 'non-survivors' were

newcomers to the trade) and, secondly, that builders whose main area of activity was the new, outer suburbs were more likely to drop out of business than those who were based in older, inner areas. To what extent the one conclusion reflects the other is not clear; however it is plausible to suppose that either recent access to the trade (with its correlative lack of experience, capital and established clientele) or location in the new suburbs (with associated decline in real estate values and depopulation) could operate as an independent cause of failure.

At the Census of 1891, 151 'builders and contractors' (9.1 per cent of the total) were given as 'unemployed' in Melbourne and the metropolis. The older members of the trade seem to have suffered more than the younger: 14.9 per cent of those in the 45-65 year age group were unemployed as against 7.1 per cent in the 25-45 group. In both 1891 and 1892 'builders and contractors' were among the most numerous insolvents.<sup>1</sup> However, very few of those 'builders' who applied to the Court in 1892 were listed in the 1888 Directory as builders; this is consistent with the view that failures were commonest among newcomers and speculative builders rather than established tradesmen. The most common 'causes of insolvency' cited by

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1

Ibid., 6 February 1892, p.54 (1891); 1892 from my own count based on daily notices in Argus.



builders were 'losses on contracts' and 'depreciation in the value of land'.<sup>1</sup>

It is perhaps unsurprising, therefore, that after about 1890, the attention of the Builders and Contractors' Association should have been largely devoted to the preservation of builders' interests in the making and execution of contracts.<sup>2</sup> In boom conditions, when contracts were plentiful and profit margins fairly generous, it was possible for clients, architects and builders to work together amicably within a loosely-defined system of contract. Tendering was less formalized than in England: contractors were given only a short time for the inspection of architect's plans, they were supplied with no proper bills of quantities, specifications were not fully developed.<sup>3</sup> It was usual, therefore, for tenders to differ widely. Between 1889 and 1891 the number of advertized contracts fell sharply: in the month of October 1889 the Builder had advertized general contracts to the value of £185,000 and government

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1

Based on my own analysis of 1892 insolvencies.

2

The Builders and Contractors continued to agitate, without success, for a Contractors' Lien Bill. (See A.B.C.N., 21 May 1892, p.365.) Some opposition to the Bill from Builders who were afraid that any legislation would also have to give a lien to sub-contractors.

3

A.B.C.N., 21 July 1888, pp.57-8.

contracts to the value of £70,000; in the corresponding month of 1891 there were advertized general contracts only to the value of £40,000 and government contracts for £7,500.<sup>1</sup> The numbers of builders competing for each contract multiplied; the chances of each individual were correspondingly diminished. Charles Butler, one of the largest city-contractors complained that he had tendered for 49 jobs and had not once succeeded.<sup>2</sup>

In February 1892 only 30 of the 220 members of the Builders and Contractors Association had contracts in hand.<sup>3</sup> Some of their individual discontent was generalized in a widespread desire to reform the contract system itself.<sup>4</sup> It was believed that the builders had been expected to bear an undue share of the risk and expense involved in the prevailing method of tendering.

The builders' grievances were directed primarily against the architects who continued to uphold their traditional 'right' to set and administer conditions

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1

Ibid., 14 November 1891, p.402.

2

Ibid., 19 July 1890, p.24.

3

Argus, 15 February 1892, p.6C-D. It was estimated that prices had fallen by about 25 per cent.

4

In these depressed times, when contractors were working at half-price, so to speak, the necessity for fair conditions was more urgent than ever. (A.B.C.N., 23 April, 1892, p.300).

of contract. In October 1890 a deputation from the Builders and Contractors Association called upon the Royal Victorian Institute of Architects to urge that the appointment of clerks of works should be made a matter of negotiation between the architect and the builder.<sup>1</sup> At the Intercolonial Conference of Builders in November there was discussion of proposed new conditions of contract.<sup>2</sup> In December, there was an agitation among some members of the Association to replace their solicitor who, it was alleged, also handled the affairs of the R.V.I.A.<sup>3</sup> In March the Builders and Contractors arranged to meet with the Institute and discuss their grievances, although the Architects made it plain that they would not surrender their right to lay down conditions of contract, even to the extent of considering the Builders' new drafts.<sup>4</sup> In subsequent meetings the Builders showed themselves to be interested in three main objects:<sup>5</sup>

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1

Ibid., 18 October 1890, p.297.

2

Proceedings of the Federated Master Builders Associations of Australia (1890), especially p.16. The condition of builders in Victoria was compared unfavourably, to their situation in other colonies (A.B.C.N., 22 November 1890, p.394).

3

Ibid., 20 December 1890. In fact, he was found not to be responsible for the Architects' affairs (Ibid., 24 January 1891).

4

Ibid., 28 March 1891, p.226.

5

Ibid., 25 April (p.319) and 2 May 1891 (p.348).

- (i) A reduction in their share of uncertainty and risk. (E.g. in demands for the specification of levels and boundaries as well as 'starting points', for extension of time in the case of strikes, for limitations on the power of the architect to suspend work or alter plans.)
- (ii) A reduction of their purely financial role. (E.g. in demands for 80 per cent of the contract price of large jobs to be delivered in progress payments, for the final certificate to be issued after plans were returned to the architect and met, as was the practice of some architects,<sup>1</sup> only after the expiry of the maintenance period, for abolition of the owner's lien over contractor's plant during construction.)
- (iii) Some recognition that the rights of the architect in the supervision of work were not absolute. (E.g. in demands that clerks of works should be named before the contract was signed, that the architect should have no power to interfere with workmen, that there should be provision for arbitration in the case of disputes.)

While they were prepared to make concessions on some particular issues, the Architects were hostile to any reform which seemed to undermine their assumed headship of the building hierarchy. The Sydney architect Horbury Hunt,<sup>2</sup> addressing the builders at their Intercolonial Conference in 1890, frankly stated their position:

Whatever you as builders may undertake in the way of endeavouring to improve the relative positions of builder and architect, I am there with you. But let me impress on

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1

See remarks of Matthews, *ibid.*, 14 May 1892, p.349.

2

*Ibid.*, 29 November 1890, p.415.

you that I shall be no friend to any body of men who, in any way, attempt to take from us, as architects, those powers vested in us, and so necessary for the due and proper execution of the works placed in our hands.

However, the steady accumulation of builders' discontents made the Architects uneasy; they seemed to presage more far-reaching attacks:

[The contractors] desired to appoint clerks of works themselves. They also desired to appoint quantity surveyors. The next thing would be they would want to appoint the architects also.<sup>1</sup>

They therefore approached their negotiations with the builders cautiously. They made some minor concessions but on the fundamental question of their ultimate authority to supervise contracts and to nominate arbitrators they stood firm.<sup>2</sup> The dominance which the client now exercised over the architect was transmitted by him to the vainly resisting builder.

The builder, in turn, submitted the journeymen to a harsher régime. Sub-contracting, which had been a means to independence and profit, now became

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1

F. Purbrick, *ibid.*, 7 March 1891, p.177. In fact, the builders desired neither to appoint clerks of works nor quantity surveyors. It was merely suggested that the architects, wherever possible, might use the services of four quantity surveyors whom the builders had found satisfactory (*ibid.*, 4 April 1891).

2

*Ibid.*, 23 April 1892, p.300.

an instrument of tyranny and ruin. The trade society which resisted it, tended merely to penalize its members in the fierce competition for work; the Society which complied, however, became unnecessary to its members. Some societies seem to have capitulated quite early. The Carpenters, for example, accepted wage cuts in 1891.<sup>1</sup> Others, however, continued an heroic, but unavailing, struggle against the builders' harsh economies.

The Bricklayers Society adopted an unsatisfactory middle course. While maintaining official opposition to sub-contracting, piece-work, reductions and boy-labour, it applied no effective sanctions upon members or employers who broke its Rules. In July 1891 the Society refused to pass a motion to expel members who had participated in piece-work or sub-contracting.<sup>2</sup> It protested against the use, by the M.M.B.W., of the 'butty-gang' system but took no action to prevent it.<sup>3</sup> In December 1891 a contractor was found to be reducing bricklayers' wages but, when it was discovered that only three of the workmen were unionists, the Society's deputation withdrew without any promise of further action.<sup>4</sup>

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1

Letter from 'Chiseler' on disastrous effects of division in trade. Commonweal, 18 February 1893.

2

Bricklayers Minutes, 15 June 1891, p.126 and 20 July 1891, p.139.

3

Ibid., 3 August 1891, p.144.

4

Ibid., 14 December (p.197), 21 December 1891 (p.201).

During 1892 the union continued to bow to the apparent inevitability of cut-throat competition. Unionists were permitted to work overtime at ordinary rates;<sup>1</sup> ordinary rates were reduced from  $1/4\frac{1}{2}$  to  $1/3$  per hour. In June the Society actually suspended its rule 31 (on hours of work) within 9 miles of the city; the state of trade, it was said, left it no alternative.<sup>2</sup> When, as now, the union's efforts brought no material gains to its members, it could only be sustained by other functions. The Bricklayers abolished their entrance fee and reduced their subscriptions in an effort to maintain membership against the day when the 'state of trade' might be more favourable.<sup>3</sup> They held 'smoke nights' and 'harmony nights',<sup>4</sup> abolished the rule forbidding discussion of religion or politics<sup>5</sup> and invited lecturers to address them on 'Social Economy' and 'How to raise wages'.<sup>6</sup>

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1

Case of Bro. Gardner, *ibid.*, 11 April 1892, p.246.

2

*Ibid.*, 13 June 1892, p.278.

3

*Ibid.*, 11 January 1892. 150 of the Union's 452 members were unfinancial (see Balance Sheet for year ending 29 February 1892 T8/16/8)

4

*Ibid.*, 13, 20 April 1891, pp.106, 108.

5

*Ibid.*, 27 April 1891, p.110, 20 July 1891, p.139.

6

*Ibid.*, 1 August 1892, p.292.

The Bricklayers' only answer to this last question was to appeal to the mercy of their oppressors. In August 1892 a letter was sent to the Builders and Contractors' Association,

calling their attention to the Fact that They are Taking advantage of the dull times by reducing the rate of wages; also informing them that when times were good we did not take advantage of them by rising [sic] our wages.<sup>1</sup>

The Builders were divided on how to answer this plea and, in the end, they sent no reply. Some simply denied the Society's allegations;<sup>2</sup> some admitted them but argued that nothing could be done;<sup>3</sup> some claimed that the bricklayers themselves offered to work at reduced rates;<sup>4</sup> a very few actually supported the Society's pleas and called upon their fellows to maintain the old rates.<sup>5</sup>

From about this time the Bricklayers Society seems gradually to have disintegrated. Motions were tabled to suspend or drastically amend the rules

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1

Ibid., 15 August 1892, p.297.

2

E.g. Baxter, A.B.C.N., 24 September 1892, p.157.

3

E.g. Anderson, *ibid.*

4

E.g. Chalmers, *ibid.*

5

E.g. McKenzie, *ibid.*



relating to wage rates and hours of work<sup>1</sup> and, although they were not passed, it appears that they lapsed because the rules were already effectively in abeyance. In January 1893 the Society summoned its dwindling hopes for a single dramatic demonstration of its plight. A mass meeting was organized and a committee formed to 'work the thing up'.<sup>2</sup> But the proposal lapsed; for the rest of 1893 and most of 1894 the Society was practically defunct.<sup>3</sup> The bricklayers were left to struggle, each man for himself, against the undertow.

By contrast, the stonemasons maintained dogged, though increasingly futile, resistance throughout the depression. Their employment in large gangs on fairly sizeable building projects probably helped both to sustain a sense of collective identity and reinforce the effectiveness of collective action. Furthermore, they had been more successful than other unions in resisting the introduction of sub-contractors and improvers during the boom.

Despite declining employment<sup>4</sup> and depleted funds<sup>5</sup> the Society's Central Lodge continued its firm resistance

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1

Bricklayers' Minutes, 7 November 1892, p.319.

2 Ibid., 23 January 1893, p.337;6, 27 February 1893, pp.338, 341, 348.

3 The Society actually continued but transacted no business of any consequence.

4 Brownlie to Seward, 10 December 1891, in Operative Stonemasons Society, Melbourne Lodge, Letterbook [Stonemasons Letterbook], p.332; Brownlie to Queensland Masons, 9 November 1891, *ibid.*, p.320; Brownlie to Seward, 10 December 1891, *ibid.*, p.332.

5 Brownlie to Clingan (Bendigo), 5 December 1891, *ibid.*, pp.327-8. Brownlie to Footscray Branch, 7 January 1892, *ibid.*, pp.341-3.

to all reductions and piece work. In January 1892 two contractors attempted to deduct accident insurance premiums from their employees' wages;<sup>1</sup> the masons (about 90-100) were called out and, after about a week, the contractors capitulated.<sup>2</sup> Brownlie, the Society's secretary, considered that

the victory is of greater importance in consequence of the very dull times and it will at once show that the men are prepared to fight when they have a just cause for doing so.<sup>3</sup>

In March some members of the Society asked permission to undertake piece-work but were refused.<sup>4</sup> By June employers were exploiting one of the Society's rules<sup>5</sup> which provided that masons could be hired only at the full journeyman's rate of 10/8 a day or at the improver's rate of 8/8. Men were hired at 10/8, employed for an hour or two then told that they were

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1

Brownlie to Seward, 15 January 1892, *ibid.*, p.345 and Brownlie to Clingan, 16 January 1892, *ibid.*, p.347.

2

Brownlie to Mellor, 21 January 1892, *ibid.*, p.351.

3

*Ibid.*

4

Brownlie to Ryan, 16 March 1892, *ibid.*, p.380 and Stonemasons' Minutes, 9 March 1892, pp.448-9.

5

Operative Stonemasons' Society Rulebook 1892 (E117/68A/5), Rule no.87, p.37.

worth only 8/8; a growing number of men accepted these wages without informing the Society.<sup>1</sup>

In May 1892 an approach was made to the Builders and Contractors' Association. The Stonemasons' hard-headed appeal to mutual interests contrasts nicely with the more suppliant attitude of the Bricklayers:

Sir,

I have the honour by direction of the [Stonemasons] Society to suggest that a conference be held between members of your and our associations with a view to regulating or stamping out the present piece-work system. We believe that if the suggested conference was held it would be most beneficial to you and us alike - we are fully aware of the keen competition that at present exists in tendering and which places your members at a great disadvantage, they being compelled to compete against so-called contractors who if successful have not the slightest intentions of carrying on the work in a legitimate manner thereby placing your members who have real honest intentions completely in the background....<sup>2</sup>

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1

Brownlie to Johnson, 14 June 1892 (Stonemasons' Letterbook, p.408). Improvers were hired for as little as 5/- and 6/- a day (Brownlie to Mellor, 4 July 1892, *ibid.*, p.415) also see Brownlie to Seward, 10 August 1892, *ibid.*, p.515; case of Veale, Brownlie to Ryan, 17 August 1892, p.442.

2

Brownlie to President of Builders and Contractors' Association, 9 May 1892, *ibid.*, p.394.

The Stonemasons' delegates decided upon a policy of total opposition to sub-contracting and formulated a set of firm proposals for submission to the Builders. They proposed a kind of pact: the Contractors would refuse to employ any sub-contractor who was objectionable to the Society; in return, the Society would refuse to work for any sub-contractor who broke the rules of the Builders and Contractors' Association.<sup>1</sup> By mid-1892, however, the Builders and Contractors had accepted sub-contracting as a necessary consequence of the 'state of trade'; they did not 'see their way to take any action' in the matter.<sup>2</sup>

As unemployment ate further into the ranks of the Society,<sup>3</sup> so did the burden of unemployment contributions bear more heavily upon the few who remained in work.<sup>4</sup> In August 1892, the Labour Bureau, under instructions from the Minister of Works, struck from its books the names of all masons who refused to accept reduced wages.<sup>5</sup> The Argus believed

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1

Stonemasons' Minutes, 8 July 1892, p.495. The Society had not decided upon complete opposition to sub-contracting without some little opposition. The motion to that effect was passed 40-4. Ibid.

2

Ibid., 3 August 1892, p.509.

3

Brownlie to Gordon, 13 October 1892, Stonemasons Letterbook, p.467.

4

Raised from 1/- to 2/6 per week. Stonemasons Minutes, 24 August 1892, p.522.

5

Brownlie to Clingan, 27 August 1892, Stonemasons Letterbook, pp.443 and 446-7.

that this action had broken the resistance even of the Stonemasons<sup>1</sup> but Brownlie refused to admit defeat.<sup>2</sup> Nevertheless the union was seriously weakened by the struggle; its strike funds were virtually exhausted<sup>3</sup> and its plans to establish a cooperative and take contracts on behalf of its members were crippled for want of capital.<sup>4</sup>

In September the Trades Hall Council attempted to arrange a conference between the building tradesmen, the Builders and Contractors, architects and other bodies 'with a view to have a stipulation in all contracts that standard rates of wages shall be paid'.<sup>5</sup> The Masons were invited to send a representative. Among the Builders and Contractors, however, the proposal encountered a mixed reception. Only a few members supported the principle of a standard wage.<sup>6</sup> Most feared that 'outside builders' would not observe such a standard and that full wages in depression

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1

Argus, 24 August 1892, p.10E.

2

Brownlie to Clingan, loc.cit.

3

Brownlie to Ballantyne, 16 September 1892, p.457.

4

Stonemasons Minutes, 7 September 1892, p.531; 7,14 October, pp.542, 545. These proposals may not have died completely: in the Commonweal, 4 March 1893, there is a Prospectus for a 'Victorian Masons' Employment Guarantee Society'.

5

Stonemasons' Minutes, 14 September 1892, p.533.

6

A.B.C.N., 29 September 1892, p.219.

could only produce exorbitant wages in conditions of normal demand.<sup>1</sup> The proposal for a conference was rejected on the casting vote of the chairman.

By January 1893 'non-society' men were reported to be working for 'such ridiculously low rates that it is almost impossible to earn sufficient to keep the mason himself, without providing for his wife and family'.<sup>2</sup> It was now urged, both by employers and many masons, that reduced wages were the only means to a revival of demand.<sup>3</sup> But against such arguments the union could cite brute facts:

If the above were correct how is it that Melbourne is in such a depressed state at the present time? Bricklayers, carpenters, labourers and other sections can be secured at almost any wage. Yet, with all this, things are drifting into a worse state week by week.<sup>4</sup>

In July Brownlie could claim that the Stonemasons were 'the only [society] in Australia at the present time that has successfully resisted any attempts that have been made on our rights and privileges'.<sup>5</sup> Yet that

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1

Ibid.

2

Brownlie to Gibbs, 18 January 1893, Stonemasons Letterbook, p.485.

3

Brownlie to J. Blight, 28 June 1893, *ibid.*, p.521.

4

Brownlie to Adams, 21 July 1893, *ibid.*, p.518.  
(I have supplied some punctuation.)

5

Brownlie to Adams, 25 July 1893, *ibid.*, p.522.

measure of success was dearly purchased: in October the Footscray branch of the Society was dissolved<sup>1</sup> and, in 1894, the Central Lodge itself seems to have collapsed.<sup>2</sup> It is doubtful whether, in the end, the proud resistance of the masons was more profitable than the tame acquiescence of the carpenters.

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1

Brownlie to Ryan, 24 October 1893, p.527.

2

There are no correspondence or minutes from about late 1893 to 1896.

CHAPTER 4THE PROFESSIONS

The professions, in the nineteenth century, were an uncertain quantity. Contemporaries were not certain which spheres and levels of activity the term should embrace; neither were they sure, within those spheres, which practitioners should be accepted as professional men and which excepted as quacks and imposters. In the eighteenth and early nineteenth centuries, both the boundaries and nature of the professions were fixed: the clergyman, the doctor and the lawyer were men of intellect whose role was to be a trusted adviser and friend of his client. In the later nineteenth century, however, when a larger number of occupations seemed to meet these criteria, the criteria themselves were under revision.<sup>1</sup>

It was essential to the idea of the 'professional man' that he had access to some source of special knowledge, not merely to a craft which his client had not chanced to learn, but to an inner sanctum accessible only to the wise. 'The brain which is the seat of all sensation, he must guide, and from his

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1

For a discussion of British conditions see W.J. Reader, Professional Men, London, 1966.



inner consciousness, evolve those ideas which modify, alter, improve, or destroy what at present exists.'<sup>1</sup> But the professional man was not only a man of higher knowledge; he also enjoyed a special ethical standing. Professional status comprised 'character' as well as professional and educational attainments.<sup>2</sup> Doctors, particularly, aspired almost to moral heroism: they avowed, 'from the inner sense of our better hearts, that the good of our fellow-creatures is the first object of our lives'.<sup>3</sup> Other professions were equally jealous of their more moderate claims to 'integrity', 'probity' and 'disinterestedness'. It was important, in short, that a professional man could be trusted - with one's private affairs, with one's money, with one's life.

The plain Melbournian was reluctant to accept these claims. He, sometimes properly, construed mystery as mystification and was suspicious of moral pretension: 'There is only one thing that I am aware of in connection with lawyers', a builder remarked in

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1

T.W.H. Leavitt and W.D. Lilburn, The Jubilee History of Victoria and Melbourne, Melbourne 1888, vol.I, p.43.

2

Evidence of M.J.S. Gair before the Select Committee on the Attorneys, Solicitors and Proctors Bill, V.P.P., D19/1878 especially question 311.

3

A.S. Gray in Presidential Address to the Victorian Medical Society, Australian Medical Journal (A.M.J.), 1881, p.18.

1885, '- whatever they may forget or neglect to do while transacting one's business, you are sure to find it all accounted and charged for in their little bill'.<sup>1</sup> Doctors, too, detected the prevalence of 'a foolish belief that we work only in the direction of our own immediate requirements'.<sup>2</sup> This refusal to accept the professional man at his own valuation fed upon the abundant evidence of malpractice<sup>3</sup> and a disposition of interpret the pursuit of professional excellence as an attempt to enter a privileged class.

Because there was a disparity between what the professions claimed for themselves and the value which clients put upon them, there was, both in cash and status terms, a process of bargaining to be gone through. There were rivals to professional men who claimed to perform the same services at a lower rate and whose inferior social status threatened to reduce the professional man to his level - and to his price. There were clients who resisted the traditional

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1

George Gray, Letters, Christmas Day 1885 (Manuscript Collection, State Library of Victoria).

2

A.S. Gray, loc.cit.

3

For some examples of malpractice and professional attitudes to it see the case of Dr Edward Barker's conviction for abortion (Australian Medical Gazette [A.M.G.], September 1882, p.166) and the discussions of legal malpractice in the Annual Reports of the Law Institute of Victoria for 1892 and 1895 (in the Institute's Library).

definition of the professional relationship and, by combination, self-help, or legislation tried to subvert his privileged position in the market and, by implication, in the status system. The claims of new professions needed impressive backing to be accepted.

This process of bargaining and the consequent indefiniteness of the boundaries and status of the professions were general in industrial societies in the nineteenth century. However in Britain - which was the model for Australian professional practice - new claims were probably accepted sooner, less reluctantly and with less legislative interference.

In the Old Country the conditions favourable to [the growth of a settled healthy state of public opinion] have long prevailed, and have led to an unwritten understanding of the relations observable between the public and the professional man, just as a system of etiquette has grown up which has been deftly defined as the 'crystallization of social expediency and experience'. Whether we take medicine, law or divinity, architecture or any other of the Fine Arts, there exists throughout the vast middle class of Great Britain (who are the backbone of the kingdom) a general knowledge of these subjects and what is due to and from their practitioners, which goes an enormous way to discourage professional quackery and incompetence and to render comparatively needless the legislation of professional men. But in these young, ardent and busily-occupied colonies, where men's best energies have yet to be devoted in the main to the subduing of the powers of Nature to our wants, and the development of her wealthy, though often deep-hidden resources, it must necessarily be otherwise for many a long day to come; and

legislation should therefore take the place, to some extent, and for a time, of that healthier public sentiment in the matters under consideration that will certainly develop in the course of years.<sup>1</sup>

These general differences between English and Australian society were both reinforced and countered in boom-time Melbourne by certain conditions of its emergence as a 'metropolitan economy'. These conditions were, firstly, an enormous expansion in the market for professional services, especially those related to the residential component of economic growth - architecture, civil engineering, conveyancing, accounting. Secondly, in response to this expansion, there was an accession of new practitioners some of whom, newly-qualified in Europe or America, pressed for overseas standards of professional education or conduct; others of whom, lacking formal qualifications, resisted them. Finally, the central business district of the city developed a degree of areal and functional specialization which brought lawyers, doctors, accountants and some of the other professions into almost daily contact. The professions developed a sense of identity and defended their claims through associations which began to assert themselves more openly. Together, these conditions helped to intensify the debate in Melbourne about the nature and conditions of professional excellence.

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<sup>1</sup>

A.B.C.N., 9 May 1891, p.367.

The growth of professional services was related variously to the 'metropolisation' of the city.<sup>1</sup> The growth of general medical and other personal services was probably related fairly directly to total population growth. Other services, which were attached to 'growth industries' (e.g. architecture and engineering) grew as the rate of city growth accelerated - and declined as the rate declined. Specialist professional services (e.g. medical specialists and perhaps dentists) were adjusted to the total size of population and also to exogenous factors, such as developments in medical science and training. Accountancy and some legal services were promoted during the boom by the growing scope and quickening pace of business life and, unlike some other services, were maintained by its litigiousness during the crash. Some of these relationships are suggested in the table (below).

That there was an accession of new professional men and that these included both qualified and unqualified men is clear. Professional men themselves warned against a glut of newcomers but, with the possible exception of doctors, the expansion of the older professions seems merely to have kept pace with demand. Of the comparative incidence of qualified and unqualified men, little can be said. Medical quacks

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For an interesting theoretical discussion see William Fielding Ogburn and Otis Dudley Duncan, 'City Size as a Sociological Variable' in Ernest W. Burgess and Donald J. Bogue, Urban Sociology, Chicago, 1964, p.58ff.

Table 4.1 Professional Occupations in Melbourne.<sup>1</sup>

| Occupations                         | No.<br>1881 | No.<br>1891 | No.<br>1901 | % Increase<br>1881-91 | % Increase<br>1891-1901 |
|-------------------------------------|-------------|-------------|-------------|-----------------------|-------------------------|
| 1. Clergymen                        | 280         | 418         | 434         | 49.3                  | + 3.8                   |
| 2. Lawyers                          | 315         | 505         | 517         | 60.3                  | + 2.4                   |
| 3. Medical men                      | 202         | 420         | 367         | 107.9                 | -12.6                   |
| 4. Civil<br>Engineers               | 134         | 264         | 252         | 97.0                  | - 4.5                   |
| 5. Architects                       | 188         | 370         | 261         | 96.8                  | -29.5                   |
| 6. Dentists                         | 78          | 165         | 383         | 111.5                 | +132.1                  |
| 7. Chemists &<br>Druggists          | 434         | 668         | 729         | 52.5                  | + 9.1                   |
| 8. Accountants                      | -           | 21          | 354         | -                     | not signif.             |
| 'Total<br>Professional'*            | 1631        | 2810        | 2943        | 71.9                  |                         |
| Total<br>Metropolitan<br>Population | 282,947     | 490,896     | 496,079     | 73.5                  |                         |

\* excludes Accountants.

<sup>1</sup>

This table, based on the Victorian Census 1881, 1891 and 1901 is accurate only for the most general purposes. The criteria and schemes for the classification of occupations are different for the 1891 census (see Statisticians Report 1891, p.190ff.) and the 1881 census. Some groups which might, perhaps, be included amongst the professions (e.g. private schoolmasters and higher public servants) cannot be isolated.

were reputed to be less common than in Sydney but there is a persistent and hostile stream of comment directed against 'psycho-pathologists', 'herbalists' and 'magnetists'.<sup>1</sup> Architects complained of 'jerry architects' who, with no more than a carpenter's training, undertook difficult and lucrative commissions.<sup>2</sup> Dentists, pharmacists, accountants and even preachers had to contend with ill-educated competitors.

Among the qualified men, an increasing number of doctors, lawyers and engineers were trained at the University of Melbourne.<sup>3</sup> an institution which, however,

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Annual Report of the Secretary (Louis Henry) of the B.M.A. in A.M.G., August 1882, p.153; Presidential Address of the Medical Society (Haig), A.M.J., 15 January 1885, p.23.

2

A.B.C.N., 2 November 1889, p.422.

3

I have no comprehensive figures for all faculties. The increase of students in the Medical School, however, was spectacular and perhaps representative:

|      |   |     |                                  |
|------|---|-----|----------------------------------|
| 1872 | - | 37  |                                  |
| 1876 | - | 58  | (Appendix H of Royal             |
| 1880 | - | 137 | Commission on the                |
| 1884 | - | 192 | University of Melbourne,         |
| 1887 | - | 232 | <u>V.P.P.</u> , 13/1904, p.140.) |
| 1892 | - | 210 |                                  |
| 1896 | - | 237 |                                  |

Melbourne was, in fact, the main colonial medical school (see L. Brück, 'Present State of the Medical Profession in Australia, Tasmania and New Zealand' in A.M.G., March 1893, p.95).

responded only slowly to the demands of the newer professions for university training.<sup>1</sup> Despite the efforts of reformers and the pressure of professional associations, dentists and architects were not admitted until well into the twentieth century. Of the origins, education and careers of professional men in general, little more can be said; however, it is possible to offer some further observations on Melbourne's medical men<sup>2</sup> and lawyers.

Until about 1880, the medical profession, like so many other spheres of activity in Melbourne, had been dominated by men who had come to Victoria in the

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For general developments in the University see Geoffrey Blainey, A Centenary History of the University of Melbourne, 1958, especially chapter 10. Some of the reform proposals were implied, though not spelt out, in Pearson's Report on Education, V.P.P., 105/1877-8; their best statement is in Fink's two Royal Commissions - on Technical Education, V.P.P., 29/1902 in which (p.228) he argued that the University should be 'recognized as the highest technical school' and on the University of Melbourne, V.P.P., 13/1904.

2

This section is based upon an analysis of the entries in Ludwig Brück's Medical Directory (1883 and 1886 editions) - membership lists of the Medical Society of Victoria in the A.M.J., and of the B.M.A., in the A.M.G., and, particularly, of 103 doctors' biographies in J. Smith (ed.), The Cyclopaedia of Victoria (1903) and Sutherland (ed.), Victoria and its Metropolis (1888).



'fifties and were therefore trained in Britain before the passing of the 1858 Medical Act and, indeed, before the development of antiseptic surgery. Most of what men like Doctors T.M. Girdlestone, James Neild, W.H. Campbell, Charles Lemprière and Samuel Bird had learned of new developments in Europe was snatched from a hasty reading of journals. Indeed the career of James Beaney suggests that some of them may hardly have changed their minds on any professional or medical subject from the time of their training.<sup>1</sup>

By 1880, however, some of the men who had been educated in the 'sixties and 'seventies were rising to professional prominence. Harry Allen, the new Professor of Anatomy, and George Le Fevre, who had learned the techniques of antiseptic surgery as a pupil of Lister,<sup>2</sup> were bringing a change in medical practice; other men of that generation, Louis Henry and Andrew Shields for example, were to have an important influence upon the way doctors would adapt their professional stance to new circumstances.

After 1880 there was a pronounced increase in the numbers of practitioners who had been born and had learned their medicine in Melbourne. Among these

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For an account of Beaney's confrontation with the Listerians see K.S. Inglis, Hospital and Community, Melbourne, 1958, p.57.

2

Ibid., p.55.

was a notable group of second-generation Melbourne doctors some of whom, like Herbert Embling, Charles Louis Lemprière and Richard Rankin assisted their fathers while others opened new practices in the rapidly-expanding outer suburbs: Moonee Ponds (James Anderson and William Dickinson) Coburg (Edwin Bird and William Henry Cutts, junior.) Brunswick (Nicholas Elliott), Footscray (Charles Lane and Charles McCarthy, junior), Balaclava (John Sutherland), Caulfield (John Irwin), Hawksburn (Francis Nyulasy). However, while the proportion of native-born Melbourne graduates steadily rose, the proportion of practitioners who, at some time before beginning in practice, had trained in Britain, remained high (see TABLE 4.2).

This trend to post-graduate overseas training was a response to new market conditions in Melbourne as well as to the increasing scope and complexity of medical knowledge. Melbourne was now a large and wealthy enough centre to support a range of specialist medical services.<sup>1</sup> The doctors of the 'fifties and 'sixties had been plain men; their medical experience was wide but comparatively shallow. Before coming to Australia, a number had served as army or ship's surgeons. But during the 'eighties, and more especially during the 'nineties, specialized post-graduate training and

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For an unsympathetic view of the trend to 'specialism' see Patrick Moloney's Presidential Address to the Medical Society, A.M.J., 15 January 1886, pp.16-17.

TABLE 4.2 TRAINING of MELBOURNE MEDICAL MEN

| Date of Establishing<br>Melbourne Practice                        | -1880    |                   |          |       | 1880-1890         |       |          | 1890-1903         |       |          |
|---|----------|-------------------|----------|-------|-------------------|-------|----------|-------------------|-------|----------|
|   | Victoria | Other<br>Colonies | Overseas | Vict. | Other<br>Colonies | Vict. | Overseas | Other<br>Colonies | Vict. | Overseas |
| 1. Place of Birth   | No.      | 1                 | 2        | 23    | 17                | 4     | 19       | 4                 | 27    | 6        |
|   | %        | 3.8               | 7.7      | 88.5  | 42.5              | 10.0  | 47.5     | 10.8              | 73.0  | 16.2     |
| 2. Place of<br>Undergraduate<br>Medical<br>Education              | No.      | 2                 | -        | 24    | 22                | -     | 18       | 1                 | 23    | 13       |
|   | %        | 7.7               | -        | 92.3  | 55.0              | -     | 45.0     | 2.7               | 62.2  | 35.1     |
| 3. Place of<br>Under- or<br>Post-graduate<br>Medical<br>Education | No.      | -                 | -        | 26    | -                 | -     | 30       | 1                 | 1     | 29       |
|   | %        | -                 | -        | 100.0 | -                 | -     | 75.0     | -                 | -     | 78.4     |
| 4. Total Sample   | No.      | 26                |          |       | 40                |       |          | 37                |       |          |
|   | %        | 100               |          |       | 100               |       |          | 100               |       |          |

practice accelerated. By 1900 there were specialists in ear, nose and throat diseases (Greville, Reid, Nihill, Cox, Iredell), skin diseases (Lawrence, Macansh), diseases of the bowel (Harricks), consumption (Springthorpe), abdominal diseases (Russell) and obstetrics (Meyer). It seems likely that the growth of specialist training helped to maintain the influence of English medical and professional examples upon the practice of medicine in Melbourne.

Similarly, while more lawyers were now being trained at the University of Melbourne, and in the offices of Melbourne attorneys, the late 'eighties did see an appreciable influx of lawyers from the United Kingdom and the other colonies (see Table 4.3).

Table 4.3 Registered Attorneys By Country Of Origin<sup>1</sup>

|                | 1880-1884 |       | 1885-1891 |      | 1880-1891 |       |
|----------------|-----------|-------|-----------|------|-----------|-------|
|                | No.       | %     | No.       | %    | No.       | %     |
| Victoria       | 83        | 89.3  | 156       | 69.6 | 239       | 75.4  |
| Other Colonies | -         | 0.0   | 16        | 7.1  | 16        | 5.1   |
| England        | 7         | 7.5   | 30        | 13.4 | 37        | 11.7  |
| Scotland       | -         | 0.0   | 11        | 4.9  | 11        | 3.5   |
| Ireland        | 3         | 3.2   | 11        | 4.9  | 14        | 4.4   |
| TOTAL          | 93        | 100.0 | 224       | 99.9 | 317       | 100.0 |

<sup>1</sup>

Calculated from applications for Registration as Attorneys filed in State Archives of Victoria.

As an occupational group, there was perhaps no feature of the professions more noticeable than their strong metropolitan bias. Within the colony, they were most strongly represented in the metropolitan area,<sup>1</sup> and there they were heavily concentrated within the central business district;<sup>2</sup> within the central city, moreover, each profession was more or less localized within a particular 'quarter' or 'sector'. Doctors congregated in 'Doctors Commons' at the top of Collins Street, around the corner in Spring Street and near the Hospital in Lonsdale Street; lawyers chambers were especially dense in little Collins Street near William Street and nearby in Chancery Lane and Temple Court; accountants were relatively dispersed along the length of Collins Street and in Queen and Market Streets; architects, too, while not exhibiting as definite a concentration as doctors and lawyers, showed some tendency to gather in Collins Street West.

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In 1891, 54 per cent of the medical men, 67 per cent of the lawyers, 61 per cent of the civil engineers, 62 per cent of the architects in the colony were resident in the metropolitan area. In the same year 42 per cent of the colony's total population lived in the metropolitan area (based on the 1891 Census).

2

Of the total number of professional establishments listed in Sands and McDougall's Melbourne Directory for 1885, 94 per cent of the lawyers, 81 per cent of the accountants, 63 per cent of the architects, 51 per cent of the dentists, 46 per cent of the civil engineers and 28 per cent of the doctors had addresses within the city of Melbourne.

Several factors account for this.<sup>1</sup> Lawyers and doctors needed access to an institutional centre; the Law Courts and the Melbourne Hospital. A degree of specialization had developed in all the professions and specialists, who served a metropolitan rather than a local clientele, were most accessible in a 'central place'. As the distribution of practitioners between Melbourne and the rest of the colony suggests, country people commonly travelled to the city for professional services: professional offices were, therefore, most conveniently situated fairly close to the central railway stations.

This concentration may have helped to develop a degree of common feeling amongst members of the professions which, in turn, was the basis for professional association. 'Every profession nowadays has its association as every trade has its union', one observer<sup>2</sup> remarked in 1888. These associations were of two kinds: some, which had begun as learned societies, were under pressure to adopt the more aggressive posture of an interest group; others, which had begun as interest groups (sometimes in reaction to the first kind), continued to maintain that stance.<sup>3</sup>

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For an account of reasons for doctors' concentration in metropolis see L. Brück 'Present State of the Medical Profession in Australia, Tasmania and New Zealand' in A.M.G., March 1893.

2

T.W.H. Leavitt and W.D. Lilburn, *op.cit.*, p.43.

3

For a useful typology of professional associations see Geoffrey Millerson, The Qualifying Associations (London 1964) pp.33ff.

The new societies of the 'eighties belonged to the second group. The Odontological Society was formed in February 1884 and, after the Dentists Act of 1887, was re-constituted as the Dental Association.<sup>1</sup> Two societies of accountants - the Society of Accountants and Auditors of England (Victorian Branch) and the Incorporated Institute of Accountants, Victoria were founded in 1885 and 1886.<sup>2</sup> From the beginning, all three societies were primarily concerned with the defence of their members against unqualified practitioners and the elevation of professional standards, less by their own learned activities than by the promotion of separate educational institutions and boards.

Among the older societies, the Law Institute of Victoria, which catered mainly for solicitors, adopted a similar policy: it had been formed 'from amongst the practitioners themselves to represent generally their views and wishes'.<sup>3</sup> In practice, it concerned itself only minimally with 'the continuous

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For a brief account of its history see James Smith (ed.) Cyclopedia of Victoria, vol.I, p.459. (The records of the Society and Association are in the Library of the Dental Hospital.)

2

Ibid., pp.392-3.

3

Rules (1892) of the Law Institute of Victoria in no.III, group II, of Melbourne University Archives Collection. Compare with J.B. Bennett's recitation and commentary on the objects of the Institute before the Select Committee on the Attorneys, Solicitors and Proctors Bill, V.P.P., D19/1878.

diffusion and advancement of legal knowledge' - perhaps because legal knowledge was not progressive or experimental and because the courts were, in any case, the proper scene of legal debate. The Institute's main object was to 'maintain and preserve the integrity of the legal profession' - both against external threats to its standing and internal threats to its reputation. As such it was, not implausibly, compared to the Free Trade Society and the Chamber of Commerce although its President felt that the similarity was 'a matter of opinion'.<sup>1</sup>

The Medical Society of Victoria and the Victorian Institute of Architects belonged to the first group of associations. Their founders endowed them with constitutions better fitted for the advancement of knowledge than the defence of interests. The Medical Society was concerned principally with 'technical matters'<sup>2</sup> while the Institute of Architects was directed to 'the advancement, protection and elevation of architecture as an art'.<sup>3</sup> Yet, as I suggested, both these societies and the professions they served were being pressed to adopt a new posture. Despite

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Ibid.

2

Dr Neild's characterization A.M.G., October 1883, p.15. I have been unable to find a formal statement of the Society's objects.

3

Objects of the Royal Victorian Institute of Architects quoted by James Smith (ed.), The Cyclopaedia of Victoria, vol.I, p.380.



their concern for art, the architects found that in boom conditions 'architecture must be a business and the artistic part of the work must be learnt and carried out in leisure moments'.<sup>1</sup> The Institute, taking its cue from the tone of architectural practice, became more preoccupied with matters affecting the interests of the profession - relations with builders, agitation for an Architects' Registration Bill, the conditions of admission to the Institute - than with the 'artistic part of the work'. The members of the Institute had been anxious for the artistic education of their young draftsmen and other subordinate members of the profession and, in 1888, under their sponsorship, an Architectural and Engineering Association was founded with these objectives.<sup>2</sup> But the young men who joined the new association were less impressed with its educational than its social advantages: they would no longer have to meet together at a Technical School where they had been 'forced into company with those on a lower footing in society.'<sup>3</sup> The association's educational aims, so far as they were pursued at all, were subordinated to other motives: 'we study for a purpose'; said their president in 1889<sup>4</sup> 'that purpose is not merely love of

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Blackburne in A.B.C.N., 31 August 1889, p.195.

2

A.B.C.N., 28 July 1888, p.81, and for some of the ideas behind the venture George Inskip's paper on architectural education in A.B.C.N., 12 May 1888, p.315.

3

A.B.C.N., 8 September 1888, p.202.

4

A.B.C.N., (Rieusset), 24 August 1889, p.170.

our profession, but to make our names, or in other words, to make money'. During the boom, the Architectural and Engineering Association was a school of individual ambition,<sup>1</sup> after the crash it became, as we shall see, an association for collective defence.

The Medical Society of Victoria was founded as a learned society but, although its staple activity continued to be the discussion of papers and the publication of a journal, it increasingly served economic and social, as well as intellectual, functions. Its membership included the 'bulk of the profession in and around Melbourne'<sup>2</sup> but many of these were no more than subscribers to the Australian Medical Journal and the executive was drawn from a much smaller group of practitioners who had connections with the University medical school or were honorary surgeons and physicians at the Melbourne and Alfred Hospitals. In view of the academic tone of the Society's activities, this connection might seem natural were it not that positions at the University and the Hospitals were the conventional marks of respectability and an important constituent in professional, and therefore social, success. The

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See, for example, their attitude to members of the Association who rose to partnership in an architectural firm. A.B.C.N., 11 September 1889, p.439.

2

A.M.J., 1881, p.17. This impression is confirmed by an examination of membership lists.

doctors themselves acknowledged that 'honorary' received 'a certain quid pro quo for their services, in the shape of reputation and experience'<sup>1</sup> and the elections to these positions, as a consequence, were contested with unseemly vigour:<sup>2</sup> 'business relations, favours past or expected, friendship and even denomination'<sup>3</sup> became mere articles of barter in the market for a lucrative practice.

Seen in this context, it might be supposed that the Medical Society would be regarded with some suspicion by those who, lacking educational qualifications or social connexions or perhaps burdened by an over-scrupulous conscience, were excluded from the contest for the highest professional honours. In 1879 there had been signs of unrest in the Medical Society<sup>4</sup> and although the formation shortly afterwards, of a Victorian branch of the British Medical Association must not be directly attributed to this disturbance, it is probably significant that several of the main sponsors of the new association, including Doctors Neild, Rudell, Graham and Cutts, had been members of an aggrieved minority within the Medical Society. The

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A.M.J., 15 May 1890, p.223.

2

For a splendid description see K.S. Inglis, Hospital and Community, p.133ff.

3

Andrew Shields' presidential address to the B.M.A. in A.M.J., 15 February 1892, p.90.

4

A.M.J., 1879, p.433.

immediate impetus for the foundation of the new association came when Louis Henry returned from England with papers from the B.M.A., empowering him to consult with Melbourne doctors with a view to setting up a branch.<sup>1</sup> The sponsors of the venture were quick to disavow 'any feeling of rivalry with the Medical Society of Victoria',<sup>2</sup> but believed that the B.M.A., could 'take up subjects which, while strictly of a medical nature, have a more immediate relation to the general interest than those which are commonly discussed in medical societies'.<sup>3</sup> The general membership of the two bodies overlapped but the executive of the B.M.A., was drawn, at first from the aggrieved minority of 'ex-honoraries', later from the wider field of metropolitan general practitioners and Melbourne graduates while the Medical Society continued to be dominated by the University-Hospital men. As time went on, the new association advertized more openly its concern with the 'mutual defence' of medical

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For an 'official account' see A.M.G., November 1881, p.24. Many years later Dr J.P. Ryan referred to 'the unhappy incident which caused the foundation of the Victorian branch of the British Medical Association' and mentioned 'troubles...regarding admissions etc.' He was rebutted by Dr Neild who denied any such differences and repeated this 'official version' of the foundation. (A.M.J., 15 January 1891)

2

Dr Cutts in first presidential address A.M.G., November 1881, p.24.

3

A.M.G., November 1881, p.24.

practitioners although its spokesmen were at pains to deny that 'a concentration on matters of medical ethics need require any falling off of interest in scientific matters'.<sup>1</sup>

The two societies continued along parallel courses until March 1891 when the Medical Society proposed to the B.M.A., that they should amalgamate.<sup>2</sup> A united association, it was argued, would be more economical, would ensure that 'the opinion of the profession...would have greater weight'<sup>3</sup> and would be 'more in harmony with the spirit of the times, which [was] distinctly in favour of federations and unions'.<sup>4</sup> Why did the Medical Society, older and better endowed, make overtures to the younger society which, it was said, differed from it only in 'the greater prominence...given to the social element, and a suspicion of trades unionism and protection to local talent?'<sup>5</sup> The Medical Society was rapidly losing members to the B.M.A.: in 1888 the Medical Society had 235 members to the B.M.A.'s 130; in 1893 it had only 140 while the B.M.A., had grown to 194.<sup>6</sup> Perhaps

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1 A.M.G., August 1884, p.252.

2 A.M.J., 15 March 1891, p.129.

3 A.M.J. (editorial), 15 April 1891, p.255.

4 Ibid. p.256.

5 Ibid.

6 From annual reports of both societies in A.M.J., and A.M.G.

it was simply that the Medical Society, now realizing to its cost, the relevance of a united, defensive stance, wished to absorb, with the membership of the B.M.A., some of its pugnacity. The negotiations between the two associations were protracted, beset by violent clashes of personality and interests, and finally unproductive.<sup>1</sup> The B.M.A., could make no constitutional concessions lest they endangered their affiliations with the English association; the Medical Society seemed prepared to accept the practice but not the name of a 'union' and were jealous of their property. When the B.M.A., finally terminated negotiations and the Medical Society, in retaliation repelled them from their Hall, the two associations were further than ever apart.

The success of new and more aggressive societies like the B.M.A., the slow transformation of traditional ones like the Institute of Architects and the unrivalled persistence of associations, like the Law Institute, which had always existed first and foremost to defend their members' interests raises the question of whether these changes were not simply one aspect of a more general transformation of the relations between professional men and the public. Where they, to recall our original metaphor, the new strategy of one bidder

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For an account of the process of negotiations see annual reports and presidential addresses in A.M.J., 15 March 1891, 15 December 1891 (pp.582-5), 15 January 1892 (p.32 and p.8) and 15 February 1893 (p.64).

in the bargaining process by which large professional claims were reconciled with lesser public demands?

This bargaining process was expressed in debate over two main questions: who shall be permitted to practice? what relationship shall obtain between the professional man and his client? The first question had most obvious relevance to that aspect of the professional ideal which emphasized intellectual power and knowledge; the second principally affected the traditional understanding of the professional role as that of a disinterested adviser.

The strictest legal answer to the first question was: 'Anyone'. Legislation upon professional matters did not generally attempt to prohibit the practice of a particular activity; it merely prevented a person who, let us say, pulled teeth without the qualifications of a dentist, from presenting himself as a dentist or dental surgeon, from recovering fees in a court of law or from receiving government appointment as a dentist. In the case of lawyers, the restriction was of a different kind: in origin the practice of law was restricted to those whom the Supreme Court would 'recognize' to plead. In 1875, the protection of the professions extended only to doctors and lawyers; by 1900 protection had been extended to pharmacists, dentists and accountants.<sup>1</sup>

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The principal legislation relevant to this discussion is:

- The Medical Practitioners Statute 1868 (28 Vict. 262)
- The Dentists Act 1887 (51 Vict. 960)
- The Pharmacy Act 1876 (40 Vict. 558)
- The Supreme Court Act 1890 (54 Vict. 1142)
- The Legal Professions Practice Act 1892 (55 Vict. 1216)
- The Companies Act 1896 (59 Vict. 1482).

Several considerations made the legislature, especially the Legislative Assembly, reluctant to lay down strict standards for admission to practice. First, there was a general disinclination to legislate in the interests of a particular group or 'class' unless it could be shown to be decidedly in the 'public interest'. Secondly, and related to this, there was a feeling that competition, and hence the consumer, were adversely affected by special legislation. Finally, some legislators were anxious to maintain the 'rights' of dissident schools of professional thought - homeopathy and herbalism, for example - or the vested interests of those who provided an indispensable service in the absence of qualified practitioners - for example, the rights of pharmacists to perform the duties of a dentist in country areas.

The task of the new profession advancing a claim to protection, or of the old one defending itself against the threat of unqualified practice, was, therefore, to show that its protection and the exclusion of the interloper was in the public interest. Here, of course, the paradigm was medicine. Each of the other professions, in arguing for its acceptance under the unwritten rubric of 'protection in the public interest', was appealing for recognition in itself of the characteristics which made medicine a special case for legislative interference. From medicine to dentistry and pharmacy the distance was short: Bosisto<sup>1</sup>

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Second reading speech on Pharmacy Bill of 1876, V.P.D., 24/1876, p.300-3.



could argue plausibly that a Pharmacy Bill was necessary for the effectiveness of the Medical Act; Pearson, supporting the Dentists Bill, claimed that 'the sole object of the measure was to protect the public against uneducated and unskilful dentists. For the future, all practising dentists would be regarded in the same way as medical practitioners'.<sup>1</sup> With architects, who also claimed protection under the same conditions, the connections were more tenuous and the arguments for their acceptance, as a consequence, were more contentious: 'we have urged', recalled the Australasian Builder,<sup>2</sup>

the importance of securing registration of the profession [of architecture], as is the case with medical men....If in the one profession the quack professing to have the necessary qualifications to cure disease runs the risk of losing life...so in the other, an incompetent architect and builder runs the risk of constructing an insanitary house, of destroying many lives by the propagation of infectious disease.

Less explicit, but perhaps as substantial an application of the same principle occurred in the Companies Act of 1896 and the Local Government Act of 1893, both of which, by compelling audit of accounts by qualified and disinterested persons, did much to elevate accountancy to the status of a profession. Both measures were

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V.P.D., 56/1887, p.2133.

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A.B.C.N., 28 April 1888, p.265.

drafted with an eye to the public interest, or rather with a backward glance at the consequences in public misery of Parliament's earlier omission to legislate along these lines.

The legal limitations upon the practice of medicine, as laid down in the Medical Act of 1865, remained substantially unaltered throughout our period. Yet this must not be taken to imply that they were unchallenged. Throughout the 'eighties the medical associations complained of the uselessness of existing legislation in stamping out quackery,<sup>1</sup> a grievance which was aggravated by the reluctance of one Attorney-General (Deakin) to prosecute offenders.<sup>2</sup> In 1891, the Legislative Council (which was friendlier to professional claims than the lower house) debated a Bill designed to alter the 1865 Act in some important respects.<sup>3</sup> It did not attempt to change the force or scope of clauses 11, 12 and 13 of the original Act which provided that only registered practitioners should be eligible to use the titles 'doctor', 'surgeon', 'physician', etc., to sue in court for professional fees and to receive government appointments. Rather, it attempted to extend the control of the profession

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1

For example Louis Henry's secretarial report to B.M.A., in A.M.G., August 1882, p.153.

2

Dr Rowan's presidential address to B.M.A, in A.M.J., 1889, p.75.

3

V.P.D., 69/1892-3. For the main provisions of the bill see Zeal's second reading speech (p.389ff.).

over entry to its ranks by the creation of a Medical Council principally elected by and from members of the profession, to replace the Medical Board which had consisted, mainly, of government appointees. Together with this alteration in the nature of authority over the profession, it included the provision that doctors, found by the Council to be guilty of 'infamous conduct', might be struck off the register for a time not exceeding five years.

Some honourable members expressed disquiet about the tendency of the Bill but it passed all stages in the Upper House before it was discharged from the paper in the Assembly. When it was reintroduced in the Council in the following year, the attitudes of members seem to have hardened. Many feared that, given a large measure of self-government and, with it, the power to exclude those of their members who were regarded as guilty of the rather ill-defined offence of 'infamous conduct', medicine might be converted into a 'closed profession'. There was general hostility in the Council to this possibility although one or two members felt that since 'the medical profession consisted of gentlemen of education, of position and of probity',<sup>1</sup> they ought to be entrusted to manage their own affairs. Most, however, while recognizing the need

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<sup>1</sup>

F.T. Sargood, V.P.D., 69/1892-3, p.888.

to limit the powers of medical men, differed on how to achieve it. Some radical opponents of the Bill (for whom Melville was the principal spokesman) claimed that if, under this Bill, the doctors were given 'a complete monopoly', it behove the Council to 'pay some attention to the charges which would be imposed upon the public'.<sup>1</sup> Melville therefore proposed the insertion in the Bill of a table of maximum charges (which he based upon the minimum charges suggested in Brück's Medical Directory). The more moderate critics (including Service) believed that, if the clause concerning 'infamous conduct' were more narrowly-defined, or adjudicated by a court, or even excluded from the Bill, the pressures of the market would suffice to maintain competition and professional standards.<sup>2</sup>

The B.M.A., were reluctant to intervene in public discussion of the Bill: they were disquieted by the proposal to fix fees but feared that, if they were seen to be too interested in the progress of the Bill, even the protection they now enjoyed might be forfeited.<sup>3</sup> After a long debate, which bears more closely upon the question of the relation of the professional man and his client, Melville's amendment was passed.<sup>4</sup> A few

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1

Ibid., pp.746-7.

2

Ibid., pp.749 and 894-5.

3

A.M.J., 15 August 1892, p.363-4.

4

V.P.D., 69/1892-3, p.755.

days later, after some of the members had been instructed by the medical societies about the implications of what they had done, the amendment was effectively rescinded.<sup>1</sup> Yet, if it had not dared to deprive the profession of its present powers, neither was the Council prepared to extend them. When it became clear that the Bill was opposed in the community at large, it was quickly dropped altogether.<sup>2</sup> Henceforth the B.M.A., had to reply upon litigation rather than legislation in checking its unqualified competitors.<sup>3</sup>

In the law, the contest over professional claims centred on the standards rather than the machinery for accreditation. An attorney could qualify for practice in one of two ways. Either he could matriculate, take a degree in law and then serve articles to an attorney for two years or he could be articled to an attorney for a full five years and take examinations in law and history as a part-time student at the University. In both cases, experience, as a subordinate, in the practice of the profession was an important constituent in

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1

Ibid., p.1041.

2

J.A. Wallace, who was a supporter of Melville's amendment presented a petition of 4000-5000 signatures against the Bill and it was dropped almost immediately. Ibid., p.1378.

3

In 1893 the B.M.A., did, in fact, begin to prosecute alleged offenders against the Medical Act. Some of their first efforts in this direction were poorly planned and were unsuccessful in the courts. A.M.J., 15 January 1894, pp.27-8.

professional qualifications. The question naturally arose: why should not managing clerks who, it was commonly conceded, often knew as much law as principals, be permitted to practise after examinations in law and a suitable period in their position?

This proposal was strongly opposed by the Law Institute. There were, so they argued, 'personal grounds, class grounds and public grounds'<sup>1</sup> for their opposition. They feared, on personal grounds, that it would interfere with

vested interests...inasmuch as [the qualified men had] submitted to a course of examination, and gone to a considerable expense of paying fees and large premiums upon the understanding that [they] should then enjoy certain privileges which would not be enjoyed by others not conforming to the same conditions.

They objected on 'class grounds' because they felt that 'the tone of the profession would be lowered very much by the admission of gentlemen who [had] not passed through the curriculum'.<sup>3</sup> 'Tone' and 'status' were elusive concepts; one managing clerk complained that the latter was 'the very word I want explained to me'.<sup>4</sup>

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Evidence of T.P. Derham before Select Committee on Attorneys, Solicitors and Proctors Bill, V.P.P., D19/1878 especially question 689.

2

Ibid., question 651.

3

Evidence of J.B. Bennett, *ibid.*, Q446.

4

Evidence of M.J.S. Gair, *ibid.*, Q.310.

Most, however, recognized 'status' and 'tone' as good coin, and denied that their entry to the profession would debase it.

These 'personal' and 'class' grounds, however, were not sufficient for legislators to exclude managing clerks. It was important for the Law Institute to show, on public grounds, that a traditional education, as well as long experience, was required of an attorney. It had to be shown that the university examinations in history - which were the only substantial difference between the experienced and examined managing clerk and the qualified attorney - constituted a qualification without which an attorney would perform his services less usefully to his client. Such a case could only be maintained upon the basis of the traditional interpretation of the professional role: that of a man of intellect whose task it was to be a trusted and disinterested adviser. On this basis, the Law Institute argued that, aside from what a professional man might need to know in the course of his duties, British History, for example, was something which 'a person ought to be able to know...or he is not a man fit for a learned profession'.<sup>1</sup> It was an intellectual dip-stick. And, in the same platonic vein, they went on to claim that

the managing clerk is an entire master of technicalities and nothing more. The master decides on the general conduct of the case and always guides and directs his client,

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Evidence of M.H. Davies, *ibid.*, Q130 (italics mine).

and is a friend and guide if he does his duty. The more liberal his education the more fitted he is to be the friend and guide of his client'.<sup>1</sup>

Yet these arguments, whatever their, probably dubious, psychological or philosophical status, were damned by their remoteness from the actual expectations of clients. They presupposed a situation in which the professional man was perceived as a priest of the earthly mysteries when, as we shall see, he had become, to many Melbournians, a merchant of specific, if immaterial, wares. The Law Institute, through their 'representatives' in the Legislative Council, managed to delay the entry of experienced managing clerks until 1891 when, under the Legal Profession Practice Act, they were finally admitted to practise.<sup>2</sup>

When professional claims were being challenged, it was harder for the unprotected, new professions to obtain protection than it was for protected professions, like the Law, to conserve it. Yet some of the newcomers did obtain protection during our

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Evidence of J.B. Bennett, *ibid.*, Q479.

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The Law Institute claimed that the number entering exceeded all fair expectations and successfully petitioned the Supreme Court for the right of scrutiny over applications. See Report of the Council of the Law Institute of Victoria 1892 (M.U. Archives).



period and the circumstances under which they succeeded, and others failed, throw some light on the complex relations of the professional man and the 'metropolitan-economy'.

This is perhaps no better illustration of the means by which a new profession gained legal protection than the passing of the Dentists' Act of 1887. From the time of its foundation in 1884, the Odontological Society<sup>1</sup> had kept this object steadily in view. In that same year a committee was appointed to draft a bill, taking into account British, New Zealand and Tasmanian precedents.<sup>2</sup> In June 1885 the Society began to urge its members and other practitioners to bring influence upon their local representatives to pass a Bill which would shortly appear before the Assembly.<sup>3</sup> However, that body proved difficult to move. James Service refused to adopt the Bill as a Government measure and Dr Rose, M.L.A., for North Melbourne, who sponsored it as a private measure, twice introduced it, only to have it delayed or discharged.<sup>4</sup> Finally,

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See the Odontological Society of Victoria, Minutes 1884-7 (kept in the Library of the Dental Hospital, Grattan Street, Melbourne).

2

Ibid., 27 November, 11 December 1884.

3

Ibid., 12 June 1885.

4

Ibid., 19 March, 21 May, 4 June 1885, V.P.D. 50/1885, p.1587, 51/1886, p.386, 53/1886, p.2016.

in 1887, the Society also engaged the interest of Joseph Bosisto, the architect of the Pharmacy Bill, and C.H. Pearson;<sup>1</sup> the Bill was presented for the third time and passed with only token opposition.<sup>2</sup> The Dentists' Act of 1887 was passed by a popular assembly in the public interest; its passage was achieved, however, mainly by the determined efforts of the practitioners who wanted it, as one ingenuously put it, 'as a protection against charlatanism and as a means of providing a status for present pupils, besides being protection for the public'.<sup>3</sup>

By contrast, the legal protection of accountants was achieved rather through public demands for protection than by the largely ineffectual petitions of the accountants themselves. The boundaries of professional accountancy were, of course, notoriously indefinite:

There is perhaps no word in the mercantile vocabulary which is so frequently misused as that of 'Accountant'. This applies frequently to distinguish those skilled in commercial and financial bookkeeping, and

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Odontological Society...Minutes, 3 February, 5 May, 2 June 1887.

2

V.P.D., 56/1887, pp.2133-5. Arguments on the grounds of public interest seemed to predominate in the Assembly; those which appealed to traditional conceptions of professional status in the Council.

3

Odontological Society...Minutes, 4 December 1884.

likewise to those whose special duty it is to check the arithmetical work of others, but it also made use of by the great array of clerks out of work, or persons who have no particular vocation who are found on the fringe of the commercial circle, existing by means best known to themselves. It need hardly be said that between the two former and the latter classes there is no affinity....<sup>1</sup>

Yet it did need to be said; auditing, the especial field of the skilled chartered accountant was commonly given over to amateurs. In 1885 a survey of 81 shires revealed that auditing was commonly entrusted to farmers, storekeepers, publicans and other unqualified persons.<sup>2</sup> It had been common for companies simply to engage 'that eminently respectable individual, the retired-from-business shareholder' to audit their books. 'His qualifications were, his eminent respectability, his large stake in the company [and] his diligent attendance at general meetings'.<sup>3</sup>

By the mid-'eighties, however, business operations were assuming a vastness and complexity which quite over-taxed the amateur accountant. To this time there had been no more than a handful of independent 'chartered' accountants in Melbourne:

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<sup>1</sup> Journal of Commerce (editorial), 28 June 1889.

<sup>2</sup> Argus, 17 October 1885, p.19D.

<sup>3</sup> Australasian Building Societies' and Mortgage Companies' Gazette, 11 September 1889, p.260.

Joseph Flack<sup>1</sup> and William Crellin,<sup>2</sup> for example, who had established themselves in the 'seventies, were the virtual 'fathers' of the profession. During the 'eighties, however, there was a considerable influx of younger men, usually trained in banking, mercantile and insurance companies, who set up as chartered accountants and legal managers.<sup>3</sup> It was largely from among these new practitioners that the Victorian Institute of Accountants was formed in 1886.<sup>4</sup> Its objects suggested that it would attempt to ensure sound practice by education rather than legislation: it was hoped to facilitate 'the dissemination of professional information' and 'increas[e] the confidence' of clients in the employment of 'recognized' accountants.<sup>5</sup>

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1

'Profiles' in Journal of Commerce, 12 July 1889, and 31 July 1894, p.10.

2

Obituary in *ibid.*, 26 February 1895, p.7.

3

E.g., W.G. Meudell, T.A. Hills, W.S. Rucker, W.J. Runting, A.P. Propsting (see their biographies in J. Smith (ed.), The Cyclopedia of Victoria, vol.I, pp.391ff).

4

*Ibid.*, vol.I, p.592. I have confined my account here to the leading association of accountants. However, it should be noted that, in 1885, a branch of the Society of Accountants and Auditors of England was established in Melbourne. It seems to have attracted those who could not qualify for the other institute because of their employment in some public or municipal institution (*ibid.*, p.391).

5

Journal of Commerce, 10 March 1887, p.4.

But by about 1889 'the rapid development of joint stock companies and the disclosures which from time to time take place of mismanagement and fraud'<sup>1</sup> had provided a background against which the accountants could confidently appeal for greater protection. There was now some support among members of the Institute for amendments to the audit provisions of the Companies and Local Government Acts<sup>2</sup> to specify the employment of qualified accountants and for a table of minimum fees.

In the immediately succeeding years, membership of the Institute (and of the profession) continued to grow: from 45 at its foundation<sup>3</sup> to 119 in 1890,<sup>4</sup> 170 in 1891<sup>5</sup> and over 200 in 1895.<sup>6</sup> This, despite the fact that the Institute was exercising closer control over entry.<sup>7</sup> In 1891 one of the younger members, F.G. Wood, drew attention to the Institute's want of 'recognized legal standing' and

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1 Ibid., 28 June 1889, p.8.

2 Ibid.

3 Smith (ed.), op.cit., p.392.

4 Journal of Commerce, 24 June 1890, p.8.

5 Ibid., 23 June 1891.

6 Ibid., 2 July 1895, p.6.

7 Australian Financial Gazette (formerly Australasian Building Societies and Mortgage Companies Gazette), 2 July 1891, p.10.

the necessity of taking immediate action in order to obtain...recognition by government and the general public, especially when we consider how opportune immediate action would be, in the light of the commercial failures which have so lately been exposed.<sup>1</sup>

But no direct action was taken to sponsor or draft protective legislation and when, in 1892, the Legislative Council first attempted to reform the Companies Act it proposed that an examination rather than membership of the Institute should be the test for a qualified auditor.<sup>2</sup> During 1893, however, when the Companies Act was again reviewed by the Legislature, the Laws Committee of the Institute was active in interviewing members and supplying them with information on British precedents and other relevant matters.<sup>3</sup>

Yet the passing of the Companies Act of 1896 - which, for the first time, limited entry to the accountancy profession - could not be described as a victory for the Institute. It certainly required company auditors to hold a certificate of the Companies Auditors' Board.<sup>4</sup> But the qualifications for such a certificate were such as to leave no interested party

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1

Ibid., 27 August 1891, p.200.

2

Journal of Commerce, 16 August 1892, p.8.

3

Ibid., 4 July 1893, p.11.

4

Section 31 of Act 1482.

with grounds for grievance: any person who had a certificate of the Municipal Auditors Board, who was a member of any of the several Institutes of Accountants, who could prove that he had been in practice as an auditor for at least 3 of the 5 years previous to the passing of the Act or who passed the Board's own examination could be admitted. Such conditions may have proscribed the grossest ineptitude but they did not guarantee excellence. Some of the accredited associations of accountants<sup>1</sup> had most liberal terms of entry; others, including the Victorian Institute, had only recently raised their standards. Thus, as Fink<sup>2</sup> observed, they 'were prepared to enrol people who were willing to pass examinations up to the standard which present members of the association could not attain'. This disparity of standards within the Victorian Institute had been reflected in a prolonged dispute over the revision of the Institute's Articles: a Joint Committee appointed to carry out this task had been unable to get its new and more rigorous

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Those accredited were the Incorporated Institute of Accountants of Victoria, the Federal Institute of Accountants (see Smith (ed.), op.cit., p.393), the Australian Institute of Incorporated Accountants (which seems to have included a large number of country accountants see V.P.D., 81/1896, pp.220-1), the Institute of Chartered Accountants of England and Wales (see above footnote 4 p.232) and the Society of Accountants and Auditors (incorp. 1885). (Section 31 (2)b of Act 1482).

2

V.P.D., 81/1896, p.221.

standards accepted by the rank-and-file members.<sup>1</sup>

Divided within itself, the Institute was thus unable decisively to influence the course of the parliamentary debate:

It is a matter of keen concern for the general public that the associations of the profession, which should be the most eager to improve the status, enlarge the authority, and safeguard the reputations of their members, do not exhibit a greater willingness to assist the legislatures. It is remarkable that they freely make suggestions as to what should not be in the various measures calculated to impose greater restriction upon auditors, but they, as a rule, show a wonderful want of unanimity in taking decisive action in relation to the qualifications and responsibilities of their members. The principal Victorian institution of accountants has...rather sought to enrol a large number of members than to raise the qualification....<sup>2</sup>

It was a popular appreciation of the disastrous consequences of bad book-keeping, rather than the efforts of the professional associations themselves, which secured to the accountants a measure of legislative protection.

Although such a reaction from the empiricism of the boom days was essential to the legal recognition of accountants, no similar wave of indignation arose to sweep the architects toward that goal - notwithstanding the practitioners' determined attempts to induce one.

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1

Journal of Commerce, 17 July 1894, p.6 and 3 July 1894, p.8.

2

Ibid., 12 February 1895, p.5.



The Institute of Architects, whose policies were effectively controlled by a Council of senior members of the profession, had opened its membership only to those practising architects who had either served their full term as an articulated pupil or, after several years as an architect's draftsman and part-time student, had passed the Institute's examination.<sup>1</sup> In 1891, partly perhaps as a response to stiffening competition between qualified and unqualified architects for a dwindling supply of commissions, the Institute determined to press for a Bill to restrict the practice of architecture to those who were either present members of the Institute or could, in the future, meet conditions which embodied the requirement that the candidate should both secure four years articles and pass a final examination. Further, the operation of the Act, which would also regulate charges and other matters generally affecting the profession, would be placed under a Board, similar to the Medical Board,

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In 1891 they did modify the rules for admission as an associate so as to include 'some eight or ten cases' of hardship - men who, although long in experience and able in practice, had not actually gone through an articulated apprenticeship. (A.B.C.N., 23 May 1891, p.398). Thus, they conceded what the lawyers would not concede - although it should be noted that many of the solicitors who defended the present system of qualification had not themselves passed through it as they were in practice before the Act of 1862. (Evidence of A.J. Thorogood before Select Committee on Attorneys, Solicitors and Proctors Bill, op. cit. question 359.)

which would consist, in the main, of members of the Institute and nominees of the government.<sup>1</sup>

These proposals were strenuously opposed by a variety of other interested groups. The qualified architects who were not themselves members of the Institute were mollified by the promise of representation on the Board.<sup>2</sup> The objections of other groups - the builders and contractors, the articled pupils and the draftsmen - were more fundamental and, like the claims and counterclaims of attorneys and managing clerks, they illustrate certain general features of the debate over the conditions of professional competence. The articled pupils, cast as 'rightful heirs', refused to submit themselves to an examination and demanded, as a kind of return on their premiums, to be 'admitted to practice at the conclusion of their articles without any bar whatsoever.'<sup>3</sup> The draftsmen of the Architectural and Engineering Association, 'worthy younger sons', resisted the requirement of four 'years' articles.<sup>4</sup>

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As I have found no copies of draft bills, this account of its provisions is necessarily based upon subsequent discussion, often by opponents.

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A.B.C.N., 22 August 1891, p.159 and *ibid.*, 5 September 1891.

3

*Ibid.*, 6 August 1892, p.75, and for an assessment of their claims from the Institute's viewpoint see *ibid.*, 13 August 1892, p.83.

4

For the attitude of the Victorian Architectural and Engineering Association see *ibid.*, 9 May 1891 (speech of McDonald), p.369; 23 May 1891 (p.412); 6 June 1891 (p.451); 13 June 1891 (p.469) and 17 September 1892 (p.144).

It was enough, they argued, that a candidate should be able to pass the examination. They saw it as 'a tory clause, a clause of privilege and exclusion'<sup>1</sup> and hinted that it was designed to bring the architects more premium money. The objections of the builders and contractors were, from the Institute's viewpoint, quite intractable; they believed that the whole measure was designed 'to baulk the legitimate aspirations of those whom circumstances compelled to start at the bottom of the ladder'.<sup>2</sup> This amounted to a defence of the status quo under which anyone could practise as an architect, or at least of a situation under which the builder could effectually practise architecture - as, indeed, he oftentimes had done during the previous decade.

The Institute of Architects was formed, as we have noticed, for the 'advancement, protection and elevation of architecture as an art' and some of the impetus for protection came from a desire to preserve artistic standards in architecture. But, as we have also noticed, the Institute was compelled in seeking legislative protection, to emphasize the practical utility rather than the aesthetic influence of the profession. Thus, for several reasons aesthetic arguments were better adapted to the self-justification

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1

Ibid., 9 May 1891, p.369.

2

Speech of McKenzie *ibid.*, 20 August 1892, p.97.

than to the public defence of the profession. The men who filled colonial legislatures were generally not impressed by them; even if they were, they did not believe in legislating in the interests of Art.<sup>1</sup> Moreover, since architecture, like other arts, was cut across by 'schools' and 'styles', it was impossible to erect objective artistic standards of admission.

Yet, having removed the weight of their case from aesthetic to utilitarian arguments, the leaders of the Institute discovered that these were not strong enough to carry it. The Bill, they said, was designed for 'the safety, health and comfort of the public.'<sup>2</sup> Yet, as Rieusset of the Architectural and Engineering Association pointed out, architects were not employed on the same basis as doctors, there was no clear connection between architectural skill and the construction of safe, healthy and comfortable buildings, and, if the public interest was to be gauged by public demand, it was cheapness, rather than beauty or safety, of construction, that was required. He concluded that the real object of the measure was to 'endow a certain body of men with class privileges'.<sup>3</sup>

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They seemed to hold a view which was better put by a builder who asked: 'Had not philosophers, scientists, litterateurs, artists, etc., also obtained eminence in their several professions without overleaping any legislative fences or bars whatsoever?' *ibid.*, 20 August 1892, p.97.

2

Quoted by Rieusset in his discussion *ibid.*, 6 June 1891, p.451.

3

*Ibid.*

When the Bill was finally brought to the Legislative Council, it had undergone substantial modification: the Architecture Board was to be more representative of the profession as a whole; the period of articles was reduced. Nevertheless, the Legislative Council dealt with it summarily. When W.A. Zeal, introducing the measure, claimed it would ensure efficiency, he was asked: 'will not competition have the same effect?';<sup>1</sup> when he argued for the public's safety, James Service replied by conceding the case for doctors, chemists and dentists but claimed, 'it was a very different matter altogether with regard to building a house'.<sup>2</sup> Here, in the house of power, it was natural that claims made 'for the advancement of the interests of the profession' would be interpreted as 'an attempt on the part of the members of a profession...to gain for themselves power that they did not now possess, affecting not only their own pockets, but the pockets of other people, and...a power that they ought not to be permitted to possess'.<sup>3</sup> The Bill was rejected without a third reading.

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Interjection by J.A. Wallace, V.P.D., 70/1892-3, p.1522.

2

Ibid., p.1524.

3

Ibid.

The claim that professional men, in attempting to set down stringent standards for entry to their ranks, were endowing a certain body of men with class privileges was true in the obvious sense that it gave the qualified man a privileged position in the market. It was also true that it tended to restrict entry to the profession to a certain class of men. Professional men, when they spoke of professional education, considered it as an 'attainment' and saw the getting of it as an 'ordeal'. Less frequently did they see it as a commodity and the getting of it as a series of transactions. Yet, in Melbourne society there was no clear way for a poor man, or even a man of the lower middle class, into the learned professions. The professional man bought his qualifications at the private school (perhaps £70 a year as a boarder)<sup>1</sup> at the University (£30 a year plus board) or, if he followed the way of indentures, from his employer-teacher (about £300-400 in premiums for an architect or attorney). To this sum should be added the earnings which a young man forfeited between the ages of, say, fifteen and twenty-two, in order to 'go through the curriculum'.

The professions, therefore, and especially the older ones, tended to be the preserve of the sons of the professional, landed and mercantile classes: of doctors who commenced practice in Melbourne in the

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As a day pupil it would, of course, have cost much less: probably little more than £10.

'eighties about three quarters were the sons of professional men; of those who began in the 'nineties there were, in addition, some merchants', squatters' and occasional builders' or estate agents' sons.<sup>1</sup> The law, if we may judge from attorneys' indentures, seems to have been but a little less exclusive (see Table 4.4).

Table 4.4     Articled Clerks By Sponsors' Occupations  
1880-1891<sup>2</sup>

| Occupation of Candidate's Sponsor | 1880-1884 |       | 1885-1891 |       | 1880-1891 |       |
|-----------------------------------|-----------|-------|-----------|-------|-----------|-------|
|                                   | No.       | %     | No.       | %     | No.       | %     |
| Professional                      | 21        | 30.9  | 28        | 21.3  | 49        | 27.2  |
| Managerial                        | 18        | 26.5  | 23        | 20.5  | 41        | 22.8  |
| Farmers and Graziers              | 5         | 7.4   | 6         | 5.4   | 11        | 6.1   |
| Clerks                            | 5         | 7.4   | 13        | 11.6  | 18        | 10.0  |
| Shopkeepers etc.                  | 6         | 8.8   | 9         | 8.0   | 15        | 8.3   |
| Artisans and Manual               | -         | 0.0   | 1         | 0.9   | 1         | 0.6   |
| 'Gentlemen'                       | 10        | 14.7  | 16        | 14.3  | 26        | 14.4  |
| Miscellaneous                     | 3         | 4.4   | 16        | 14.3  | 19        | 10.6  |
| Total                             | 68        | 100.1 | 112       | 100.0 | 180       | 100.0 |

<sup>1</sup>

Based on the biographical sources noted above.

<sup>2</sup>

These figures are derived from the occupations of 'sponsors' (usually fathers) as given in the articles filed with applications for registration as attorneys in Victoria which are now deposited in the Victorian  
(footnote continued on p.244)

This general result was predisposed, not only by professional education but by professional practice. Even if a poor man managed to qualify as a practitioner he still faced great obstacles. In some professions, especially medicine and dentistry, it was becoming common to travel overseas for a time after qualification to continue post-graduate studies. Then there was the cost of either buying a suburban practice (perhaps £1000)<sup>1</sup>, establishing a new one, or leasing consulting rooms in Collins Street. In law, architecture and accountancy or in a specialist medical practice, the initial costs of establishing a practice may have been small; but, probably to a greater extent than suburban doctors, they faced the problem of attracting clients. Once again it was very much a matter of wealth, or rather of wealthy 'connexions'. One young architect, who was himself without that advantage, drew attention to the importance of having

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(footnote 2 continued from p.243

State Archives. Only those candidates giving Melbourne addresses have been included. I attempted to determine the source of livelihood of those who described themselves as 'gentlemen' by reference to the directories; some few were reapportioned to other categories. The main constituent of the 'miscellaneous' category was widows.

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Practices were not consistently advertized in the professional journals. A few notices, upon which this estimate is based, appeared in the A.M.G., in 1881-2, and in the 'Partnerships' column of the Argus.



the acquaintanceship of numerous well-to-do people who may have occasion to build and will give you their work, or are sufficiently interested in your welfare to influence their friends to do so. With a social connection of this kind you may call yourself an architect and pocket thousands of pounds per annum without knowing enough to design a dog-kennel or a pig-sty.<sup>1</sup>

The Australian Medical Gazette advised overseas medical practitioners 'without some friends or connections in the colonies' or 'some private means to keep them going for a year or two', not to venture upon an Australian career.<sup>2</sup> The auditing of public companies, at least before the Act of 1896, was said to be generally entrusted to 'personal friends or, it may be, relatives of the directors or the manager'.<sup>3</sup> Without access to such a network of personal connexions, it required professional competence of a very high order indeed to achieve success in Melbourne's professional world.

Within this network, however, there was some doubt about the proper relation between the professional man and his client. The bargaining process, to which we referred earlier, was carried out, not only in a market of rival producers, but in a market of resistant

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A.B.C.N., 16 May 1891, p.378.

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A.M.G., December 1884, p.71.

3

Isaacs in second reading speech to the Companies Bill. V.P.D., 77/1895-66, pp.225-6.

consumers. Professional men believed that their role was that of the trusted friend and adviser. Such a relationship was incompatible, on either side, with pecuniary calculation. 'The purely commercial spirit does not, and cannot, co-exist with that finer mental organization, and that delicate moral sense which make up the model physician.'<sup>1</sup> The barrister was not hired at a price but 'retained' with an 'honorarium'. The architect did not make tedious calculations of time and costs but, with sublime unconcern, charged a flat 5 per cent on the value of the total project. The client, for his part, was expected to show a similar contempt for the mere economics of this valuable relationship. Yet, in various ways, clients were attempting to bring professional men into a more mechanical relationship with their demands.

As we have already seen, the traditional relationship of patient and doctor was challenged in Melville's amendment to the Medical Bill of 1891 which proposed to fix maximum charges for medical services.<sup>2</sup> This suggestion was opposed by many members, not generally because they subscribed to the traditional view of the doctor-patient relationship, but because they believed that medical services, like other commodities, should be a subject of negotiation between

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<sup>1</sup> A.M.G., August 1884, p.250.

<sup>2</sup> V.P.D., 69/1892-3, pp.748ff.

buyer and seller. Advocates of fixed charges pointed out that medical services were often sought in an emergency and by persons who, often, could not really afford medical care; in such circumstances, medical charges were practically not negotiable.

The doctors had always recognized that for some patients - the poor - the ideal relationship would be inapplicable. For these unfortunates there were the hospitals, maintained as a free service by the benevolence of the State, the public and the medical profession. Yet, since admission to the hospitals could be secured either upon the recommendation of a subscriber or examination by a committee, there was a standing temptation for those who were too poor to pay doctors' fees and not poor enough to gain admission under the hospitals' exacting criteria of poverty, to practise deception upon the committee or collusion with a subscriber.<sup>1</sup> The doctors, in 1890, claimed that in Melbourne, 'the capital of the artisan's paradise', about one person in every 13 was receiving free medical advice through the hospitals.<sup>2</sup> When challenged upon the matter, these persons normally claimed that, since the State made a contribution to the hospitals, they were perfectly entitled to treatment.

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For a fuller account see K.S. Inglis, Hospital and Community, chapter 7.

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A.M.J., 15 May 1890, p.199.

There was a second method by which a patient could avoid entering the traditional, and more expensive, relationship with a doctor. He could join a friendly society or lodge for about £1 to 30s a year<sup>1</sup> (less than the cost of three consultations). For this sum, he and his family received treatment by a qualified, but generally over-worked, practitioner. The members of these 'clubs' were believed to come from all levels of society; they were said to include wealthy merchants and manufacturers<sup>2</sup> although most were manual workers.

To the medical profession these two ways of escape constituted an affront to their professional standing. They offended the view, long held, that the medical man should treat his patients either as an object of charity (and perhaps experimentation) or else as a client to whom he stood as a 'guardian and friend'. But when the state was making an increasing contribution to public hospitals, the patient began to demand his treatment as a right.<sup>3</sup> And in a market over-supplied

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This estimate is based upon the figures in the Commissioners Report on Friendly Societies (V.P.P., 8/1890). The doctors themselves quoted lower rates (12s 6d. to £1) (see L. Brück's account of the 'club system' in his 'Present State of the Medical Profession....', A.M.G., March 1893, p.97).

2

A.M.G., February 1887, p.127 (editorial).

3

Inglis, op.cit., p.149ff.

with medical practitioners, the club-doctor was reduced to the status of an employee.

It is certain, [said Dr Jackson to the Medical Society in 1891,]<sup>1</sup> that the profession is overcrowded, especially in the metropolitan district, and to young men commencing practice in the widely-extending suburbs of Melbourne, there is virtually no option in the taking of clubs. A beginning has to be made somehow, and the beginning is accordingly made very often under circumstances which involve renunciation of self-respect, not only because the remuneration for the services tendered is so inadequate, but especially because the relations between the medical man and patient are not, as they should be, those of guardian and friend, but of tyrannical master and unwilling, if obsequious, servant.

The doctors attempted to preserve the old ideal by combining to enforce standard of eligibility to treatment: wage limits for admission to hospital and to lodges were suggested and the doctors were urged to learn the lesson of the trades unions and combine to resist a too-demanding public.<sup>2</sup> But, as we have seen, the attempts at union failed and, with them, the attempt to defend the ideal professional relationship by enforcing standards of eligibility.

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A.M.J., 10 January 1891, p.20.

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See especially James Barrett's speech and the discussion of it A.M.J., 15 May 1890, p.200ff.

Combination and imposture were unsuitable tactics for clients attempting to 'bid down' the professional claims of lawyers. Legal expenses were not an insurable risk and, as doctors pointed out enviously, 'if a man had no money, he got no law'.<sup>1</sup> There were, however, several features of the existing system which the public disliked. Some disliked the requirement that relatively simple legal tasks - for example, those concerned with the transfer of land - should be reserved to members of the legal profession. There was some feeling against what was seen to be the irresponsible and privileged position of barristers who, although they could not sue for fees, were not themselves under any compulsion to appear in court for the person who retained them.<sup>2</sup> In 1884 an Attorneys' and Solicitors' Remuneration Act brought relations between solicitors and their clients onto a contractual basis, making it possible, as one of its supporters said, to go to the lawyer and say: 'Here is certain legal work I want

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Dr Daish, *ibid.*, p.201.

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For a general account of the debate on this question throughout Australasia see Geoffrey Sawer, 'Division of a Fused Legal Profession: the Australasian Experience' in the University of Toronto Law Journal, vol.XVI, no.2, 1966, pp.245-266. Sawer gives some weight to 'Chartist and Benthamite proposals for law reform'; these were perhaps in the background although I think the change of mind within the Law Institute after the Judicature Bill of 1883 and the public pressures which I discuss here must be given much more weight. See also Sir Arthur Dean's A Multitude of Counsellors: The Bar in Victoria (Melbourne 1969).

done; you know what is required, what will you do it for?'<sup>1</sup> Barristers, however, were exempted from this legislation. Finally, it was felt by some that the system of employing solicitors who then briefed barristers was wasteful and costly. If the profession were amalgamated, solicitors would be permitted to undertake all the tasks previously performed by barristers, barristers would be allowed to take briefs directly from clients and without the instruction of a solicitor, and both would be subject to the requirements of the 1884 Act. Thus, it was argued, legal services would be cheaper, more efficient, and more expeditious.<sup>2</sup> The arguments for amalgamation were, partly, based upon considerations more applicable to rural than to urban contexts, particularly the necessity, in remote areas, for the lawyer to perform the attorney's and barrister's functions. But there was also strong pressure from Melbourne businessmen - exemplified in a petition from the Chamber of Commerce - to force the barristers into the market economy.<sup>3</sup>

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V.P.D., 45/1884, p.214-5 (speech of Campbell).

2

For a summary of the arguments which, by 1891, had been well canvassed in the several debates on this issue since the late 'seventies when the first bill on those lines was introduced, see Young's introductory second reading speech V.P.D., vol.66 (1892-3), p.915.

3

There were petitions from the Chamber of Commerce, the Chamber of Manufactures and a group of 'traders and businessmen of the City of Melbourne' (see Minutes of Proceedings of the Legislative Council Session 1891, pp.311 and 321).

The barristers, for their part, were defensive. They were apprehensive, so they said, lest, in order to remedy acknowledged grievances, the legislature should pull down 'an old-established and well-preserved institution'. 'Why should parliament be asked to use a steam hammer to crush a fly?'<sup>1</sup> They noticed that 'specialities are now the order of the day' in medicine and other professions and were puzzled that specialism should be destroyed in the Law. Yet, like their opponents in the debate, they knew that this was no simple case of specialization; at bottom, they feared for the future of the Bar, not as a specialized function, but as a profession with a high and special status. Such a Bill, they claimed,

must mean that all future members of the bar will creep into the profession through the easier of the two channels, and that is by becoming acquainted with that very useful and important element, that six-and-eightpenny knowledge - I use the term without the slightest intention of being sarcastic - which is the most important part of the training of what I would call - again without the slightest intention of disrespect - the lower branch of the profession'.<sup>2</sup>

When the Bill was passed in 1891, the barristers formed themselves into a Bar Association to resist their extinction. The Law Institute believed their

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Fitzgerald's speech V.P.D., vol.66 (1892-3), p.931.

2

Ibid.



action 'singularly ill-advised' and determined not to recognize the new body.<sup>1</sup> After a time, when it became clear that the Bar would survive on the basis of custom and reputation even when its legal basis was removed, the Bar Association disbanded itself. However, while the Legal Profession Practice Act did not have the effect of opening the Bar to all-comers, it did force members of the Bar to give 'substantial attendance' in court to clients who retained them, and enabled barristers to sue in court for the recovery of fees. It meant the substitution, in the Bar as in the other branch of the profession, of a contractual for the traditional relationship between client and practitioner.

Like lawyers, architects had attempted to preserve the traditional relationship between the client and the practitioner: they were not to 'bid' or advertize against their fellows; they were to remain rigidly separate from the builders. Yet, like the lawyers and doctors, their traditional stance was challenged in the late 'eighties and early 'nineties, though not permanently altered. The use of architectural competitions by municipal councils who planned to build a Town Hall, had become popular in the mid-'eighties. For buildings of a more substantial character they gave the client a variety of designs to

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For the papers relating to the Law Institute's policy over the barristers' rebellion see 'Committee on the Bar Association' Law Institute Special Committees in Group 3:(3); Box 4 of M.U. Archives Collection.

choose from; to the architect without access to a network of connexions, they offered a way of making a reputation. As such, the professional associations tolerated them. After 1890, however, the flow of architectural commissions dwindled, and clients, taking advantage of the conditions of over-supply,<sup>1</sup> began to use the competition virtually as a method of calling architectural tenders. The prizes were usually small - as little as £5 - and sometimes winning the prize did not even carry a contract to supervise the construction of the design.<sup>2</sup> Many young architects who were forced to sit on their office stools 'like idleness on a monument spoiling with grief',<sup>3</sup> saw in competitions at least the chance of a contract and the only reputable way of advertizing. The same conditions of scarcity made it harder for the Institute to enforce its general ban on advertizing: members were no longer absolute in their opposition to the practice but made qualifications about its truth, place, taste and purpose.<sup>4</sup> In architecture, perhaps more than in the other professions, it was economic depression which forced a reassessment of the relations of the professional man and his client.

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1

A.B.C.N., 7 November 1891, 5 November 1892 (p.231) and 26 November 1892 (p.259).

2

For debates on this issue see A.B.C.N., 9 May 1891, 23 and 30 May 1891 and 8 August 1891.

3

Ibid.

4

Ibid., 12 September 1891, p.218.

The learned professions had their original and most congenial place within the confidence of the gentleman and his family. In such a setting their independence, learning and wise counsel found ready appreciation and a generous reward. Yet, in the course of the nineteenth century, the demand for medical and legal (though not for clerical) services was to be extended far beyond such narrow social confines, while the need for learned and disinterested advice was to be felt in spheres where absolute empiricism had formerly held sway.

In 'Marvellous Melbourne' these general features of nineteenth-century industrial society were quickened and accentuated. It was a prosperous society whose citizens were increasingly able to afford services above the merest necessities of life. It was a society whose expansion into new and complex enterprises outstripped the resources of the plain men who had hitherto guided its progress, and sent them scurrying in search of professional expertise. It was, finally, a society whose institutions were evolving, not towards the cultural and philanthropic values of a 'modified aristocracy' (as some had hoped)<sup>1</sup> but towards the crass practicality of the market-place:

...the bent of the people is essentially practical and limited. As a colony, although there are many exceptions among educationalists, we are given over to utilitarian notions. A

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E.g. R.E.N. Twopeny, Town Life in Australia, pp.92-3.

judge descends from the bench to inform the public that a boy should only be taught what will be useful in enabling him to make money and position; eminent lawyers suggest that a lawyer need be asked to learn nothing more than the statutes and precedents which are necessary to win cases at the bar; doctors are inclined to look on the study of things beyond their own craft as a waste of time.<sup>1</sup>

Professional men continued to adopt the forms of their historic callings but, like merchants or manufacturers, they, too, came to a practical acceptance of the values and constraints of a 'metropolitan-economy'.

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<sup>1</sup>

Australasian, 4 August 1888, p.265.

CHAPTER 5'A GREAT QUASI - MERCANTILE ESTABLISHMENT'

Among its several functions, Melbourne was a capital city. Not only the Legislature but the greater part of the Public Service,<sup>1</sup> and especially its administrative branches, was concentrated there. Seventy-eight per cent of clerical officers, 65 per cent of intermediate or sub-officers and 78 per cent of 'other government officers' lived in the metropolis in 1881.<sup>2</sup> By that date the policy of 'concentration' recommended by the Royal Commission of 1873<sup>3</sup> had been

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Unhappily the record of the affairs of the Public Service is not nearly as complete as it might be. The papers of the Public Service Board, which had superintendence of the Service from the Act of 1883, have been destroyed. Some of its communications are to be found in the records of other departments, especially the Chief Secretary's and the Premier's. However, since much of the information sought by the Board appears to have been gathered by means of returnable questionnaires or forms, neither the exact information sought nor the contents of the reply are to be found in departmental records. In addition, the Public Service Association (now the Victorian Public Service Association) has not kept its records from this period. These several circumstances impose very definite limitations upon a study of the Service.

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From Census 1881 'Occupations of the People'.

3

Royal Commission on the Civil Service, Report V.P.P., 10/1873, p.xxviii.

realized. Its visible symbol was the large block of offices which now reared beside the Parliament House and Treasury Buildings of the 'sixties. The new Law Courts and Titles office in the western quarter of the city were also begun during the 'seventies. This close association of government with the city provides one of the grounds for giving some attention to the fortunes of those who served its administration. But the association of the Public Service and the city was also developing at a deeper level. Because, as we shall see, politicians came largely to accept the adaptation of competitive, commercial principles to its management, the history of the Public Service in this period - a period when commercial organization was itself changing radically - offers an interesting variation on our central theme: the development of a 'metropolitan economy'.

The legal charter of the Public Service, as it was interpreted at the beginning of our period, served, like a broken fence, to limit, rather than contain, the evasion of its central provisions. The Civil Service Act (no.160) of 1862 drew its main inspiration from the recommendations of the Northcote-Trevelyan commission as received and interpreted by a Victorian Civil Service Commission led by W.E. Hearn (1858-9).<sup>1</sup> It rested on five main principles: entrance by examination, classification by the difficulty and intellectual demands of the officer's work, promotion

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Civil Service Commission, V.P.P., 19/1859-60.

by seniority and merit combined, remuneration according to the market value of the work performed and organization on the model of a rational business enterprise. In spirit, therefore, the Act was 'meritocratic': it was to open the government service to men of talent irrespective of their social background or connexions; it was to offer them precedence according to what they did and not in proportion to who they were; it was to reward them on the basis of performance. Yet, we repeat, in practice these principles were nugatory.

In practice, recruitment to the Service was governed by patronage. Only about one-third of the positions in the Civil Service were filled, in the regular way, by examination; the other two-thirds were directly nominated by political patrons under cover of a special or 'loophole' provision of the Act 160 which permitted the exceptional appointment of persons with 'known ability' as 'supernumeraries'.<sup>1</sup> Moreover the examination itself was not competitive; nor did success carry automatic appointment. It simply set a minimum standard for 'regular' entrance; the successful candidate had still to rely upon political connexions to secure a 'billet'.

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On the extent of 'supernumerary' employment see James Service's second reading speech on the 1883 Bill (V.P.D. 43/1883 pp.661ff.) Attention had been drawn to the evil in the Royal Commission of 1873, loc.cit., p.xvi-xvii. The accuracy of these general statements may be confirmed by an inspection of the Civil Service lists published in the Government Gazette.

The conventional language of the client was supplicatory and deferential, emphasizing personal needs and worth rather than the antecedent favours on which he more usually based his claim.<sup>1</sup> Whatever the forms, however, the essence of patronage was a contractual and not a dependent relationship: a place for Jones films was payment for the services of Jones père. By the late 'seventies patronage was firmly embedded in the administrative process: letters of application were labelled with the names of both the applicant and his nominated patron.<sup>2</sup> In such circumstances, personal and bureaucratic roles became confused. Frank Gavan Duffy, an officer in the Chief Secretary's Office, wrote on behalf of his Minister that 'there is[sic] unfortunately no vacancies in this office which my Father can offer you.'<sup>3</sup>

Such a system of recruitment may be supposed to have better served the interests of Liberal than of Conservative politicians: their constituents were more likely to seek government service and they were

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An applicant was more likely to call attention to his need ('...having been very unfortunate with a family of six children...') or to stress his personal worth. See, for example, applications of D. Newell to the Chief Secretary, 16 May 1873 (Chief Secretary[C.S.] Inward Letters), State Archives.

2

E.g. bundle in State Library, 'Staff' (State Archives).

3

C.S., Outward Letters, 20 November 1871.



themselves probably less able to pay their electoral agents in cash. It is difficult, while we lack the kinds of personal documentation upon which New South Wales historians have been able to draw,<sup>1</sup> to describe the nature of the politician's clientele or the exact mixture of calculation and benevolence with which he addressed it. The most scandalous abuses were revived in the political inventiveness of later years: Patterson, for example, was said to have 'emptied Castlemaine into the Railway Department.'<sup>2</sup> But these statements are presumably as inflated as those of James Service, the architect of the new Act of 1883, who magnified his own achievement with claims that, under the old order, 'every man with a brazen face who took an active part in an election claimed as a right that his son, his brother or his cousin should be appointed to a billet in the Public Service.'<sup>3</sup>

Not merely the method of recruitment but the scheme of classification, the method and order of promotion, the scale of remuneration and the working conditions of the civil servant were governed by the considerations of personal status which underlay the patronage system rather than the formal principles of the 1862 Act.

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See, for example, P. Loveday's reconstruction of some of the patronage relationships of Parkes and Cowper in his 'Patronage and Politics in New South Wales 1856-70' in Public Administration, 18, 1959, pp.341-385.

2

Sargood, V.P.D., 73/1893, p.1762.

3

Service, ibid., p.1784.

The classification of the Service under Act 160 was to be based upon a somewhat platonic conception of cognate levels of authority and intellectual refinement:<sup>1</sup> the first class comprised the permanent heads who, under the minister, had the oversight of the department's activities; the second had superintendance under the immediate control and direction of the permanent heads. The third shared 'in a minor degree the discretionary duties and responsibilities of the second class, in consequence of experience and training', the fourth performed 'both intellectual and clerical work under the direction of those above them', the fifth comprised those engaged in 'routine clerical work and youths in training for the higher classes'. Such a scheme allowed a measure of flexibility, especially between the second and third and the third and fourth classes. Yet, by 1873, witnesses before the Royal Commission could point to many instances of classification which could not be justified even on the most liberal interpretation of the Act.<sup>2</sup> In 1883 a senior civil servant claimed that 'in some cases men have risen through class after class whilst continuing to perform the work allotted to them in the lowest; in others, supernumeraries and high-classed clerks may be seen doing the same work side by side.'<sup>3</sup>

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From Regulations promulgated under Act 160 quoted by Royal Commission of 1873, loc.cit., p.xxvii.

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E.g. Agg in *ibid.*, Q.3150ff.

3

W. Ravenscroft Stephen 'Civil Service Reform' in C.S., Inward, A.2075, p.3. (State Archives).

Under the Act 160, promotion to a vacancy was to be open to officers in all departments of the Service. The criteria by which the Governor-in-Council was to assess the candidates were not explicit; they were simply instructed to 'promote from the class next below that in which the vacancy occurred such officer as he shall judge most deserving of such promotion.'<sup>1</sup> Desert, in the minds of Cabinet ministers, proved an extensive concept. The excellence of his past services to the government - which might be thought a desirable attribute - was most commonly set aside for mere seniority or the claims of a political client. W.R. Stephen in a memorandum of 1883 accurately described the promotion system as 'seniority tempered by interest.'<sup>2</sup> Even where the Act was unambiguous, its provisions were occasionally circumvented. In practice, promotion was open to an officer only within his own department: permanent heads as well as ministers adopted a protective attitude to their own officers, defending them against interlopers with the argument (which had a certain force at a time of growing specialization) that men used to the work of the department were invariably best fitted to fill any vacancies.<sup>3</sup> Since opportunities for promotion varied greatly from department to department, this practice had

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Act 160, Section 21.

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Loc.cit., p.2.

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See evidence of C.H. Symonds (Audit Commissioner) to Royal Commission on the Civil Service, loc.cit., Q.1526ff., and Report, pp.xvii-xviii.

most inequitable consequences. Further, against the clear intention of the Act, appointments were frequently made from classes other than that 'next below that in which the vacancy occurred.' W.R. Stephen again complained that

Appointments to the most coveted offices have been over and over again made from classes lower than the next to the vacant office .... Sometimes the Act has been evaded by promoting a third class officer to the second class one year and to the first the next. Sometimes it has been openly broken, a third class officer being appointed at once to a first class vacancy.<sup>1</sup>

The rates of salary set out in the Act 160 were, broadly, those recommended by the Civil Service Commission of 1858-9.<sup>2</sup> In arriving at these standards the Commissioners had proceeded on the assumption, for which they found British precedents, that civil servants should be granted a remuneration comparable to that 'ordinarily given for similar service in private employment'.<sup>3</sup> Indeed, they had been at pains to establish the prevailing level of mercantile and banking salaries. The succeeding decade, however, saw

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Loc.cit., p.6.

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See table in Civil Service Commission 1858-9, loc.cit., p.12, and compare with recommended schedule of salaries, *ibid.*, p.11, and Act 160 schedule.

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Civil Service Commission, loc.cit., pp.9-10. See also their quotation, with approval, of a House of Commons Select Committee, p.10, footnote.

a gradual divergence of civil service salaries from the rates prevailing 'outside'. One of the Royal Commissioners of 1873<sup>1</sup> drew attention to discrepancies between the salaries of some lower civil servants and the market value of their services. The Under-Treasurer, E.S. Symonds, when asked if his estimates for salaries were based on comparison with salaries paid outside the Service conceded only that they were 'partly so', and added that 'long and faithful service should weigh heavily in the balance'. His brother, the Audit Commissioner, C.H. Symonds, when called upon to defend a salary of £350 for mere clerical checking, agreed that such a salary was not too much to have 'to look forward to for a lifetime'. The great bulk of the Service, he pointed out, could not expect to rise above the fourth class in which the maximum salary was £350 - 'a small salary for a married man with a family to keep respectably.' Asked whether it was desirable, in view of these officers' duties, that their 'social status should be good', Symonds replied that it should be 'tolerably good ...; They are not mere labourers in that class .... I do not say it would be necessary to have the highest class of men, but good, substantial, medium men.' In accepting this view, the Commissioners recommended discretionary additional payments to fourth

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Loc.cit., evidence of C.H. Symonds (Audit Commissioner), Qs1402-1405 and 1416-1418 and E.S. Symonds (Under Treasurer), Qs1667-8.

class officers as a reward for 'long and faithful service' and not as an 'additional payment for service of increasing value'.<sup>1</sup> It seems, therefore, that the personal claims of public servants for public gratitude, economic sustenance and social status - as well as the market value of their services - were to be brought into account in setting their salaries.

Believing that the peculiar conditions of an infant colony would require the state to perform many functions other than purely administrative ones, the Commissioners of 1858-9 proposed a model of the future civil service as 'a great quasi-mercantile establishment'.<sup>2</sup> Since the government, in many of its activities, would be carrying on a business, it ought, in its methods, to be business-like. Salaries, as we have seen, were to be based upon mercantile salaries. Civil servants were to carry out their duties in large offices under a kind of 'monitorial' direction, similar to that used by merchants and banks.<sup>3</sup> A more uniform and business-like system of office procedure, with 'copying machines' and double-entry book-keeping was to be instituted.<sup>4</sup>

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Report, p.xv.

2

Report, loc.cit., p.10. 'The Government ... does not simply perform the duties of an administration, but in effect conducts a private business. In the latter capacity, in the character of a great quasi-mercantile establishment ....'

3

Ibid., p.19.

4

Ibid., pp.19-20.

Yet when, in 1873, a second commission investigated the Service it discovered an almost unbridgeable gulf between the tempo and style of work in the government offices and that which prevailed in outside businesses. It was believed, as a commissioner suggested (and the witness agreed) that 'the routine habits of the civil service [were] such as to incapacitate a man for the bustle and struggle of life'.<sup>1</sup> Offering himself for service in a bank, a former civil servant would be told: ' "Oh, you are a government hack; you will not do for us; you have been doing one class of work for years and you are fit for nothing else ...." He [was] believed to have his mind cramped by red-tape and routine.'<sup>2</sup> Almost fifteen years after the first Commission, the policy of monitorial direction seems to have made little progress<sup>3</sup> and, although letter presses were introduced, the accounting methods of the government, even by the early 'eighties, were unsystematic and laborious.<sup>4</sup> In short, while the Commissioners of 1858 and the legislators of 1862 had planned a civil service upon the model of an efficient business enterprise, the Commissioners of

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<sup>1</sup> Evidence of C.H. Symonds, Q.1608.

<sup>2</sup> Evidence of Steavenson, Q.3492. Also evidence of Jones, Q.2517.

<sup>3</sup> Royal Commission, loc.cit., pp.xxviii-xxix.

<sup>4</sup> Public Service Board Report, V.P.P. 3/1885, pp.4-5.

1873 discovered a civil service which, as one of them hypothesized, seemed to operate very largely 'for the benefit of those who enter[ed] it, and not for the economical transaction of the public business'.<sup>1</sup>

The evils of the patronage system had been apparent for many years before the legislators finally moved to abolish them. In the early 'eighties, however, several circumstances combined to hasten such a reform. There was, first, a growing consensus among the politicians that the obligations of the patronage system now greatly outweighed its returns.<sup>2</sup> In the early 'sixties a politician's clients were perhaps a significant part of his electorate; in the early 'eighties, however, when constituencies were very much larger, patronage dispersed among friends and supporters might have appeared more partial and corrupt. A second circumstance of even greater weight was the general sense of disillusionment and frustration generated in the Civil Service by the 'Black Wednesday' affair of 1878 when some 100 civil servants were summarily dismissed by the Berry Government during a constitutional battle between the two Houses of the Legislature.<sup>3</sup> J.J. Shillinglaw, a civil servant in the

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Evidence of F. Jones, Q.2517.

2

E.g. Walker in V.P.D. 44/1883, p.902.

3

For accounts of these events see J.E. Parnaby, 'The Economic and Political Development of Victoria 1877-81', Ph.D. thesis, University of Melbourne, 1951; John Tregenza, Professor of Democracy (Melbourne 1968), especially chapters 6, 7 and 9; and H.G. Turner, A History of the Colony of Victoria (London 1904), vol.II, chapter VII.



middle-range, expressed the general mood when he wrote to a friend: 'I keep clear of anything in the shape of politics but it is a sort of degradation to live under the present state of things.'<sup>1</sup> The dismissals, the instability of ministries and the prevailing atmosphere of crisis produced what government servants like least - a sense of insecurity. Shillinglaw thought that Victoria was becoming as turbulent as Equador and wondered 'whether we shall ever get to the throat-cutting part of the business'.<sup>2</sup> A reform was needed, therefore, to restore the morale of the Service itself. Finally, the accession to office of James Service,<sup>3</sup> a merchant and 'constitutionalist' not only hastened such a reform, but probably helped to ensure that the new measure, when it was produced, would again attempt the high and original ideal of conducting the Civil Service as 'a great quasi-mercantile establishment'.

From as early as 1880 proposals for a new Public Service Act were circulating among politicians and civil servants. Some, like those of A.E. Moore,<sup>4</sup>

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Shillinglaw to Labillière, 29 November 1879, Letterbook, p.468 (S.L.V. Manuscripts Section).

2

Shillinglaw to Knight, 6 August 1880, *ibid.*, pp.614-5.

3

For evidence of Service's concern with Civil Service reform see Archer to Service, 7 June 1880 (W.H. Archer Papers 2/172/3, M.U. Archives).

4

A.E. Moore, Reform of the Civil Service (Melbourne 1880) in Administration Pamphlets (S.L.V.). Also see John Wisker, 'Civil Service Reform' in Victorian Review, 1 December 1882, pp.156-65.

expressed highly defensive reactions to the crisis of 1878: they were designed, above all, to guarantee the permanency of civil servants in their employments. Others were more considered and complete. W.H. Archer, the former Government Statistician whose experience in civil service reform extended back to the Hearn Commission of 1858-9 and the Royal Commission of 1873, contributed a series of anonymous articles on the subject to the Argus in the course of which he reported that

it is said that one of Mr Berry's colleagues on the last Royal Commission, Mr W.H. Archer has drafted a bill for the reform and consolidation of the public service, embracing provisions at once novel and workable; provisions that would ensure a thorough and wholesome re-cast of the service as it is; and provisions that would regulate its future both as to appointments, promotions and dismissals so as to free it from political patronage and baneful or capricious action of every kind, and render it permanently an economical, capable and honourable service. If this be so, the sooner that draft bill is brought to light the better.<sup>1</sup>

This draft is known to have had some bearing on the shape of the Act which was finally passed in 1883.<sup>2</sup>

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1

Argus, 21 August 1880, p.9C. Archer's authorship of this and the rest of the series is established by a note in the Archer Papers (9/2/7). The series was mainly concerned with the 'Past and Present of the Victorian Service' (21 and 28 August and 11 September 1880) and the attempts at Civil Service Reform in the United States (24 September, 16 October and 11 December [cited 10 December]).

2

According to Archer's application for the position of Librarian of the Public Library (no.3 in the bundle of applications in the State Library Records, State Archives), he was actually employed by the Government to investigate the Public Service and devise a draft Bill for its reorganization free from political patronage. I have not seen a copy of this draft.

Early in that year a draft bill (perhaps a modification of Archer's) was submitted for their consideration to a special representative committee of public servants. Its convenor, W. Ravenscroft Stephen, a first class officer in the Treasury Department, arranged for the bill to be considered separately by the delegations from each department. He appears, at the same time to have circulated a memorandum of his own on 'Public Service Reform'<sup>1</sup> which may have influenced, or at least initiated, their thinking on some matters. Reports were submitted from each department; from these Stephen prepared a final set of recommendations, giving weight to the separate submissions roughly in accordance with the unanimity of their findings. Together, Stephen's memorandum, the departmental reports and the final recommendations give a very full account of the attitudes and fears of the public service officers themselves.

These concerns may be summarized as a desire to maintain the legal rights and privileges conferred upon permanent public servants by the Act of 1862 against the de facto rights of supernumeraries who had entered by the back door. Their attitude is nicely expressed in submissions of officers in the Trade and Customs Department:

More than twenty years ago the Legislature passed an Act which provided a certain way for entry into the Public Service of this colony. Whether the method provided was the

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C.S. Inward, A.2075.

best or not does not affect the present question. This Act has been the means of attracting into the Service numbers of men who adopted the Public Service as a profession, spent money in qualifying themselves therefor and practically entered into a contract with the Government under the terms of the existing Act of parliament, in the full confidence that those terms would be carried out. Those terms were that, commencing at a certain low rate of salary, they should gradually work their way up, and as those in the respective classes at the time of their entrance were removed that they could legitimately look for promotion .... It is now proposed that, contrary to their legitimate expectations, or, rather, in the face of the implied contract made with them on their entrance, an overwhelming number of other persons who have not complied with the law, who accepted their respective positions with a clear knowledge of the disabilities attaching to those positions, and have had no right to expect that the law would be altered in their favour, will be placed in many instances over their heads, and thus in many cases the well-grounded hopes founded on the law and practice of more than twenty years are now disappointed and swept away.<sup>1</sup>

'Where', the old servants were now inclined to ask, 'was the advantage of doing what the law required?' Their particular recommendations were, broadly in conformity with these sentiments. They called for the continuation of their pensions and increments, and for a court of appeal against the new classifications of the Public Service Board. They appealed against proposals for

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1

Ibid., 'Trade and Customs Recommendations'.

entry to higher grades of the Service by examination and the introduction of compulsory insurance to replace pensions.<sup>1</sup>

On 21 August 1883, James Service as Premier of the Coalition Government, presented the Legislative Assembly with a Bill

to abolish all patronage with respect to appointments and promotions in the public service and to establish a just and equitable system in lieu thereof which will enable all persons to enter the public service without favour or recommendation other than their own merits.<sup>2</sup>

The new Bill observed the spirit, rather than the letter of the recommendations forwarded by the Committee of public servants. It did, in fact, include a general provision (Section 2) that the repeal of all previous acts did not 'affect any matters or things done under the Act no.160, or any privileges or rights existing at the commencement of the 'Public Service Act 1883' or thereafter accruing of or to any person then subject to the provisions of the said Act no.160'. The precise scope of this provision - general though it seems - was to be a matter of continuing dispute

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1

Ibid. Report.

2

Preamble to Act 773; see also Service, V.P.D., 43/1883, p.661.

in later years.<sup>1</sup> Furthermore, the Bill specifically exempted public servants appointed under Act 160 from the proposed second examination (Section 36) and guaranteed the continuance of their pension rights (Section 99). Otherwise, however, the Bill paid little attention to the Committee's particular recommendations: there was no provision for appeal against the decisions of the Public Service Board or the permanent heads; there was no requirement that the officers appointed under Act no.160 should have preferential treatment in promotion; entry to the higher classes was to be subject to a second examination (Section 36).

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The more general questions of interpretation were settled in *Browne v. The Queen* (Victorian Law Reports, vol.XII, 1886). In this case the Court was asked to determine whether an officer appointed under the Act 160 could be dismissed for causes other than those specified in that Act. Higinbotham, in a dissenting judgment, argued that since there were rights conferred by Act 160 which were not preserved by Act 773, clause 2 could not be regarded as absolute in its scope. In their majority judgment, Williams and Holroyd did support the petitioner's case for a general interpretation of the clause. However, in the course of their judgment, they noted that since Section 54 of Act 160 did itself provide that officers under that Act should be liable to have salary or increment reduced or altered by subsequent legislation, section 2 of the present Act could not be made the basis of a claim for the continuation of such increments (p.413). This judgment was noted by the Public Service Board in their Report of 1886 (V.P.P. 56/1887).

The two most fundamental reforms incorporated in the new Act were the appointment of an independent Public Service Board to administer the Act and the introduction of a new system of classification.<sup>1</sup> The first measure had both English and Victorian precedents. The Northcote-Trevelyan Commission had devised such an instrument for the management of the Civil Service and the Victorian Government had itself recently placed the Railways (another nest of patronage) under a similar board. As an instrument of government, moreover, the independent board had a certain formal attraction to economic liberals as well as an historical connection with their traditional causes.<sup>2</sup> The Board, as Deakin was later to remark, might henceforth 'manag[e] the public service as if it were a great company of which they were directors'.<sup>3</sup> It was in keeping with this conception that the new system of classification should attempt to re-establish the connection between the civil servant's work and the 'outside' market. As a whole, however, the Act may be seen as an attempt to pour new wine into old bottles: in some clauses it loudly proclaimed a new dispensation while in others it as broadly asserted the persistence of the old.

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See Parts I and II of Act 773.

2

See, for example, Lucy Brown, The Board of Trade and the Free Trade Movement 1830-42 (Oxford 1958), esp. chapter 2.

3

V.P.D., 72/1893, p.1378.

In January 1884, the Government appointed the three Commissioners.<sup>1</sup> All were men of parts. John Montgomery Templeton,<sup>2</sup> the Chairman of the Board, was regarded as ideally qualified for the post.<sup>3</sup> Trained as a teacher, he had left the profession in 1869 to become an accountant in a fire insurance company. In the following year he founded the National Mutual Life Association of which he became manager and actuary. From the age of 19 he had been an active member of the Volunteers and at the time of his appointment was a lieut-colonel in command of the 2nd Regiment. Something of the school-room, something of the commercial office, something of the parade ground - that, it seems, was the background which the Government believed most appropriate to the running of a public service. Supporting Templeton were Professor M.H. Irving,<sup>4</sup> former Professor of Classics and headmaster, and T.C. Couchman,<sup>5</sup>

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<sup>1</sup> Government Gazette, 25 January 1884. Two of the appointments had been generally known since about the middle of the month (Argus, 11 January 1884). The Under-Treasurer (E.C. Symonds) had been offered a position but refused because he thought that he would be believed too old.

<sup>2</sup> Cyclopedia of Victoria, vol.I, pp.259-60.

<sup>3</sup> Argus, 17 January 1884, p.4G (editorial).

<sup>4</sup> Fred Johns, Australian Biographical Dictionary (1934), p.181.

<sup>5</sup> P. Menzell, Dictionary of Australasian Biography (1892), p. 106.



a surveyor who had become Secretary of the Department of Mines. Both Couchman and Irving were also members of the Volunteers.

The Commissioners first task was to carry out a thorough-going examination and classification of all members of the Service according to the nature of the work they then performed.<sup>1</sup> Such a task was intrinsically difficult and, as the Commissioners themselves were later to confess, perhaps impossible to perform to general satisfaction.<sup>2</sup> They were required, under the Act, to be provided by the permanent heads of departments with a full list of all officers in their departments, of their status and remuneration, and of the work performed by each.<sup>3</sup> In fact, the returns provided were found to be defective: they were either too sketchy or too voluminous and they commonly arranged the officers merely by seniority.<sup>4</sup> The Commissioners attempted to re-cast these returns in accordance with the 'objective' criteria provided by the Act, but the final classifications seem to have been determined only after an inspection of the Service which the Commissioners carried out later in

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1

Act 773.

2

Evidence of Col. Templeton before South Australian Royal Commission on the Civil Service. Report in Argus, 12 December 1888, p.10D and editorial p.8D.

3

Act 773.

4

Public Service Board Report, V.P.P., 65/1884, pp.3-4.

1884,<sup>1</sup> Each of the Melbourne offices was inspected in detail by one of the commissioners and generally by all three; about half of the country establishments (185 out of 363) including all the larger ones were visited by the three Commissioners together.<sup>2</sup> Their impressions of the state of the Service confirmed the diagnosis implicit in the 1883 Act: most of the officers they found, were attentive to their duties but the discipline was weak, the supervision inadequate and there was little sense of responsibility towards junior officers and their training.<sup>3</sup> Much of the Commissioners' time was spent in listening to 'statements purely personal'.

We thought it wise to allow great latitude in this respect, for, although it was no part of our functions to redress grievances, we judged that it would conduce to the development of a better spirit throughout the Service....<sup>4</sup>

The job of classifying officers of the Service was essentially one of assessing the nature and market value of their work and placing each in the class corresponding to that rate of remuneration. In performing this task the Board was guided by certain expertise and principles:

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1

Ibid.

2

Ibid., p.4.

3

Public Service Board Report, V.P.P., 3/1885, p.3.

4

Ibid.

In determining the respective values of the various kinds of work, we have been guided by the evidence of experienced and trustworthy officers in the Service and by the testimony of professional men, managers of banks, insurance managers, merchants and employers of all kinds of labour outside the Public Service, as well as by our own personal knowledge. In all cases in which we have valued work at a less sum than has hitherto been paid for it by the Government, such reduced value is still somewhat higher than the amount usually paid for work of a similar kind by public companies or private employers.<sup>1</sup>

The re-classification would seem simply to have re-distributed the great bulk of the 'supernumeraries' between the 4th and 5th classes.

Table 4.1 (below) presents the numbers and percentages in the classes under the two Acts.<sup>2</sup>

Although there were some individual cases of drastic re-classification,<sup>3</sup> the most plausible interpretation of this table is that most of the

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1

Ibid., p.6. See also the remarks of Col. Templeton during the hearing of appeals: 'I have gone throughout on the principle of assessing the services at considerably higher than would be paid outside'. Argus, 22 May 1885, p.7A.

2

From table in Argus, 25 September 1885, p.10B. (The percentage calculations are my own.)

3

A list of public service officers together with their classifications under the two Acts (160 and 773) was published in the Government Gazette 1885, pp.368-495. An inspection of this material suggested that most re-classifications had the effect of 'demotions', that 'administrative' departments (like Treasury, Chief Secretary's and the Registrar-General's) were more affected than others (14 of the 62 clerical officers in the Treasury were re-classified, only two of them upwards). Lands and Survey is shown to have had by far the largest proportion of supernumeraries of any department.

Table 5.1    Classifications Under Act 160 and Act 773.

| CLASS                 | ACT 160 | ACT 773 | % ACT 160  |       | % ACT 773  |     |
|-----------------------|---------|---------|------------|-------|------------|-----|
|                       |         |         | CLASSIFIED | ALL   | CLASSIFIED | ALL |
| I                     | 39      | 33      | 7.4        | 2.2   | 1.9        |     |
| II                    | 51      | 53      | 9.7        | 2.9   | 3.0        |     |
| III                   | 135     | 146     | 25.7       | 7.7   | 8.3        |     |
| IV                    | 208     | 475     | 39.6       | 11.9  | 27.1       |     |
| V                     | 92      | 1043    | 17.5       | 5.3   | 59.6       |     |
| TOTAL<br>CLASSIFIED   | 525     | 1750    | 100.0      | 30.0  | 100.0      |     |
| TOTAL<br>UNCLASSIFIED | 1225    | -       |            | 70.0  |            |     |
| TOTAL                 | 1750    | 1750    | 100.0      | 100.0 | 100.0      |     |

supernumeries were judged to be performing work of 4th and 5th class standard. The effect of the re-classification, in psychological terms, was to make the permanent officers in the 4th and 5th classes no longer able to distinguish themselves from the great host of ex-supernumeries who now shared their classification. One officer calculated that, under the new Act, 'as many as one half of those in Class V will attain the retiring age without any promotion whatever, no more than one-seventh before the age of 35, less than three-tenths before the age of 45 etc...'<sup>1</sup> The assumptions on which this calculation

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<sup>1</sup>

Article by E. Joske in Argus, 25 September 1885, 10B.

was made were in fact, unduly pessimistic;<sup>1</sup> nevertheless it is significant, in this context, that they were made. By its uncertainty the patronage system had left room for hope; the secured expectations of the new order left none. 'It must be remembered,' the Argus observed

that the bulk of the civil servants are the direct representatives of the political system. They obtained their posts by influence with members, and they looked for promotion to influence with members .... It comes with a sort of a wrench to many to cut themselves off from these expectations. Even if the promotion never came, the civil servant lived in hope of a change and now excitement and expectation are gone.'<sup>2</sup>

The same sense of disappointment and frustration emerges from the appeal hearings which the Board conducted for the rest of 1884 and much of 1885. These

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This interesting calculation rested upon estimates of the average ages of officers in each class, of the probable rates of 'displacement' of officers by death or retirement and of the number of officers in each class competing for the vacancies appearing above them. However Joske seriously under-estimated the magnitude of the second quantity by only including retirements from the 1st class and over-estimated the size of the third by including all officers of the class instead of only those who might be regarded as 'promotable' by virtue of seniority. Nevertheless it does seem that even more realistic assumptions might have tended to his conclusion that promotion had been 'narrowed to the utmost'.

2

Argus (edit.), 24 September 1885, p.4F.

sessions were held in public and the detailed proceedings were published in the daily press. Over 800 appeals were heard but, in the end, only 52 clerical officers were promoted from their previous classification.<sup>1</sup> Most appeals, in fact, were found to rest upon personal considerations immaterial to the Act.<sup>2</sup> More often than not, they simply expressed a generalized sense that the appellant's worth was not fully appreciated:

The thing [re-classification] has knocked the heart out of me. I have a dead wall against me, and this after the way I have worked for the department.<sup>3</sup>

It was out of this sense of deprivation that the first moves were made for the formation of a Public Service Association. The movement began early in May 1885. Representatives were appointed in each department and members were recruited among those who held permanent employment in the Service.<sup>4</sup> By early June 1,500 persons had signified their intention of joining

1

Public Service Board Report, V.P.P., 3/1885, pp.8-9.

2

Ibid. The Commissioners tended to be short with appellants whose grounds were inadequate and often gave the impression of brow-beating them, a tendency which Punch (15 January 1885, p.21) was quick to notice:

T        -"Now, Quilldriver, you have enough to live on handsomely, and bring up your family in decency?"  
 Witness-"Oh, no, sir! I'm a very poor man - wear threadbare clothes, wife never able to go out, children ill-clad and poorly fed. I assure you gentlemen, I'm a very poor man."

T        -"What!"

C        -"What!"

T        -"What!"

Witness-"At least, gentlemen, I'm not rich ...."

3

Evidence of William Thwaites in Argus, 15 August 1885, p.11B.

4

Argus, 15 June 1885, p.5C-D.

and the objects of the Association had been defined: it was 'to maintain a healthy feeling between the State and the Service, to encourage the growth of comradeship amongst the public servants, and generally to promote the well-being of members of the association.'<sup>1</sup>

On 24 July the first large public meeting<sup>2</sup> was held. By now 1800-1900 members had been enrolled. The president of the Association, R.L.J. Ellery, the Government Astronomer, attempted to strike a conciliatory note in his remarks. He commended the new Act which 'did away with a great many draw backs' and expressed loyalty towards the Government and confidence in its Ministers:

He was sure that if grievances existed they had only to be made known to be rectified. The tendency of the present Government, at all events, had so far been to see that everyone was justly and fairly treated. If the association would go about its work in a quiet and legitimate way, it would possess an influence which would bring about any reasonable change that might be desired. The members should be careful not to burden themselves with any petty grievances. The principal objects of the association, he apprehended, would be largely of a social character and might include the establishment of public service insurance and of a public service sick fund.<sup>3</sup>

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1

Ibid.

2

Ibid., 25 July 1885, p.11D.

3

Ibid.

Notwithstanding such counsels of moderation, he also made it clear that the new Act had not been passed 'without a certain degree of friction or without injustice having been done in special circumstances.'<sup>1</sup> Moreover, 'there was a deep-rooted feeling amongst civil servants that their services were not sufficiently appreciated.'<sup>2</sup> Other members were less guarded in expressing their hopes for the Association. E. Joske, its Secretary, claimed that the 'main object of the association ... was to obtain certain modifications of the Public Service Act',<sup>3</sup> and Mr Wimble of the Lands Department presumed that 'the principles governing the conduct of the association would ... be self interest and self-preservation, (Cheers.)'<sup>4</sup> For the present, however, the association confined its activities to 'social' matters.

In August, Ellery wrote to the Premier seeking his recognition of the Association and some gesture of approval for its objects.<sup>5</sup> Once again he adopted his most conciliatory tone. He explained that the principal

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1

Ibid.

2

Ibid.

3

Ibid.

4

Ibid.

5

Letters of Ellery and Service quoted Argus, 8 September 1885, p.10B, and commented upon ibid., 5 September 1885, p.9D.



'objects of the Association were of a social character' and that, insofar as its concerns extended further, it would be guided by a 'proper spirit of subordination and loyalty to the Government and the Public Service Board.' He resolutely avoided any implication that the interests of the Government and those of the public servants might diverge, and presented the degree of friction which had so far appeared as ephemeral:

The Council [of the Association] ... hopes that it may be useful and afford aid to the Government and Public Service Board in the direction of lessening and correcting misunderstandings and grievances, fancied or real, which must inevitably accompany the introduction of a new order of things as in the case of the new Public Service Act, and thus prevent fancied or trivial complaints embarrassing the Government and Public Service Commissioners. At the same time they feel assured that it will only be necessary to show clearly the existence of any real injustice or legitimate complaint as regards any class or individual of the Public Service to obtain ready recognition and remedy.<sup>1</sup>

Mr Service, in reply,<sup>2</sup> noted the articles of the Association, that they were mainly social, and expressed approval of them. He had no objection to the Council making representations but warned that:

So long as the association confines itself to the consideration of matters of general interest affecting the service as a whole, or classes of officers therein, its functions will probably be advantageous to the

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1

Ibid.

2

Ibid.

Government, but if it goes beyond that and attempts in any way to deal with individual grievances, or to interfere with the discipline of the departments, then I have no hesitation in saying that the association will be an evil instead of a good.<sup>1</sup>

It was natural that Service should have used the occasion to assert the paramountcy of the Government's (as opposed to its servants') interest but more puzzling that he should have regarded particular grievances as more dangerous than general ones. We have to remember, however, that the Act of 1883 had been designed precisely to protect the politicians from special pleading.

Within a month the Association's 'Status and Appeal Committee' had embarked on a close examination of many of the questions of which members were aggrieved.<sup>2</sup> All the ancient grievances were revived. In October they were re-assembled and presented to the Premier who, in turn, passed them for comment to the Public Service Board. The complaints, as we suggested, were not novel: the neglected rights of the officers appointed under Act 160, the want of a court or tribunal of appeal against Public Service Board classifications, the burden of compulsory insurance and a mixed bag of anomalies created by the new Act. The Chairman of the Public Service Commissioners reported to the Premier

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1

Ibid.

2

Ibid., 22 September 1885, p.5D.

in a 16 page memorandum<sup>1</sup> which rebutted the Association's complaints point by point, emphasizing the limitations upon the power of the Board under the Act,<sup>2</sup> the sweet reason of its decisions upon such matters as insurance, and accusing the public servants, in their desire for a tribunal of appeal with access to the facts upon which promotions were made, of a 'libel upon the intelligence and loyalty' of the superior officers who furnished them. Templeton concluded by recognizing (and strenuously deploring) a fact which Government, Board and public service representatives had so far attempted to disguise from each other: that their interests were not wholly mutual.

It is worthy of notice, [he said], that the whole of the representations of the Association are made in the personal interests of the officers of the Service. It does not appear to have occurred to the framers of the memorandum that the service exists for public convenience or that people have a right to expect fair value for money voted by Parliament for the payment of salaries; their one idea seems to be that the Public Service exists for the benefit of the officers employed therein.<sup>3</sup>

Service, in keeping with his placatory style, did not immediately accept this interpretation of the Association's

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1

Ibid., 7 November 1885, p.13E.

2

Premier's Office, Inward Correspondence, P.3054A, 12 October 1885 (State Archives).

3

Ibid.

TABLE 5.2 CLERICAL OFFICERS BY DEPARTMENTS 1885 - 1895.

|                        |      |      |      |      |      |      |      |      |      |      |      |
|------------------------|------|------|------|------|------|------|------|------|------|------|------|
|                        | 1885 | 1886 | 1887 | 1888 | 1889 | 1890 | 1891 | 1892 | 1893 | 1894 | 1895 |
| CHIEF SECRETARY        | 807  | 832  | 913  | 920  | 968  | 1013 | 1048 | 1012 | 981  | 968  | 949  |
| TREASURY               | 285  | 284  | 285  | 298  | 298  | 288  | 301  | 286  | 256  | 248  | 283  |
| PUBLIC INSTRUCTION     | 127  | 124  | 128  | 130  | 141  | 144  | 149  | 145  | 134  | 107  | 100  |
| LAW                    | 310  | 327  | 358  | 393  | 405  | 446  | 422  | 375  | 352  | 329  | 305  |
| LANDS                  | 334  | 331  | 307  | 304  | 308  | 285  | 260  | 245  | 255  | 240  | 232  |
| PUBLIC WORKS           | 239  | 249  | 249  | 252  | 263  | 271  | 169  | 149  | 130  | 118  | 110  |
| TRADE and CUSTOMS      | 367  | 406  | 425  | 454  | 478  | 483  | 493  | 466  | 444  | 416  | 399  |
| POST and TELEGRAPH     | 1784 | 1948 | 2085 | 2339 | 2478 | 2845 | 2971 | 2931 | 2824 | 2630 | 2403 |
| MINES and WATER SUPPLY | 92   | 96   | 98   | 103  | 109  | 109  | 146  | 140  | 100  | 97   | 96   |
| DEFENCE                | 26   | 26   | 28   | 29   | 30   | 31   | 32   | 33   | 32   | 30   | 31   |
| TOTAL                  | 4371 | 4623 | 4876 | 5222 | 5478 | 5915 | 5991 | 5782 | 5508 | 5183 | 4908 |

claims or reply to them in accordance with Templeton's defence.<sup>1</sup> In contrast to his earlier statement, he offered to investigate particular cases of grievance among professional officers. He pointed out that, since the Public Service Board was not a court of law, appeal was not a matter of right and tried to show that the insurance provision was designed in the servants' own interests. Nevertheless his refusal, however polite, to entertain any alteration in the Act probably hardened the attitude of the Public Service Association. Henceforth both parties recognized that their interests, though tied, were not identical. Indeed, one may go further. On the eve of the high boom, the Public Service may be pictured as the subject of opposed forces. On the one side was the Public Service Board, the appointed agent of impersonal, business-like administration; on the other was the Public Service Association, the vehicle of the personal and traditional impulses of the servants themselves. As the boom gathered strength, however, these forces and interests became less neatly apportioned.

The effects of the boom upon the size and structure of the public service were comparable to those in other fields of employment. The clerical division increased from 1750 in 1884-5 to 2176 in 1890.<sup>2</sup>

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1

Argus, 7 November 1885, p.13E.

2

See Table 5.2).

This growth, however, was not generated by all sections of the Service. The administrative tasks of the Government, properly considered, were not greatly enlarged. The clerical staff of the Treasury grew only by five per cent and the administrative section of the Chief Secretary's Department (as distinct from its 'Home Office' section)<sup>1</sup> remained small in numbers. The Lands Department continued to decline in size and importance. The main thrust of expansion, however, was concentrated in three departments which were all closely involved with the progress of 'Marvellous Melbourne'. The Trade and Customs Department was enlarged in order to cope with the enormous increase in Melbourne's demand for foreign imports, the growth of the entrepôt trade, a further lengthening of the list of 'protected' articles and the building of new port facilities on the Yarra.<sup>2</sup> The expansion of the Law department was impelled by the prodigious growth of one of its sections - the Titles Office - which, even with a large access of new staff, was hard pressed to cope with the deluge of legal work

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1

For the basis of this distinction see memorandum of G.J. Thomas (1882) discussed in article on 'Premiers Department' in Victorian Year Book 1963, p.103.

2

The account of the reasons for the expansion of the service given in the Public Service Board Report (V.P.P. 10/1893, pp.3-5) is in the nature of an apologia; nevertheless most of the factors to which it refers were present and probably did operate in the manner described.

precipitated by the land boom.<sup>1</sup> The Post Office,<sup>2</sup> whose growth far outstripped that of any other department, was responding to a vastly increased and more specialized demand for mail, telegraph and telephone facilities, especially within the metropolis.

It was partly a consequence of accelerated recruitment, partly of the relative proliferation of 'routine' as against 'directive' tasks, that the base of the public service pyramid was broadened even further during the boom years. Table 5.3<sup>3</sup> shows the proportions of clerical officers in the various classes in 1884-5 and 1890.

Table 5.3      Classifications of Clerical Offices  
1884-5 and 1890.

|       | 1884-5 | 1890 | % 1884-5 | % 1890 |
|-------|--------|------|----------|--------|
| I     | 33     | 29   | 1.9      | 1.3    |
| II    | 53     | 54   | 3.0      | 2.5    |
| III   | 146    | 168  | 8.3      | 7.2    |
| IV    | 475    | 507  | 27.1     | 23.3   |
| V     | 1043   | 1418 | 59.6     | 65.2   |
| TOTAL | 1750   | 2176 | 100.0    | 100.0  |

1

Ibid and Report, V.P.P., 12/1889, p.11.

2

Ibid., pp.9-10.

3

From Public Service Board Reports.

This great access of routine clerks at the lower levels continued despite accelerated promotion and the gradual adoption of labour-saving office methods. The proportions of officers in the various classes varied of course from department to department; in the Post Office, for example, the proportion of 5th class officers was high while in Trade and Customs and the Chief Secretary's it was relatively low.<sup>1</sup> The expansion of the 'eighties accentuated these differences. The Public Service Board was faced, therefore, with additional difficulties in attempting both to equalize opportunities throughout the Public Service and fall in with the practice of permanent heads (which was generally both natural and efficient) of promoting officers from within their own departments. The Board attempted to increase the number of higher class positions available in the expanding departments<sup>2</sup> and there is evidence that its pressure was chiefly responsible for a greater proportion of transferred promotions in the later 'eighties.<sup>3</sup>

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1

Ibid.

2

Ibid., V.P.P. 12/1889, p.10.

3

For evidence of an increase see table Public Service Board Report, V.P.P., 176/1891, p.11 and for efforts of the Board to promote them see Report, V.P.P., 12/1889, p.5.



The Public Service was slower than many outside firms to introduce typewriting and shorthand. By about 1890, however, both were being employed in several departments. The use of shorthand especially was growing under the stimulus of incentive payments to the officers who learned the skill.<sup>1</sup> The attempts of the Board to reform and simplify the correspondence and accounting systems in the Service, however, met with less obvious success and some open hostility.<sup>2</sup>

Notwithstanding these innovations, there was a feeling, shared by both public servants and politicians, that, by comparison with commercial and financial establishments, the Public Service was unnecessarily 'mechanical' and unresponsive in its operation. Everywhere else, it seemed, commerce was undergoing a great transformation; employers were opening up new fields, trying new methods; their employees were straining for new opportunities. The Public Service Act and the Board which regulated its administration now appeared to operate according to rigid and outmoded

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1

See memorandum of H. Moors, Chief Clerk of Chief Secretary's Office, on 'Shorthand and the Typewriter in the Public Service', 10 February 1888, in C.S., Inward Correspondence, L.3040 (State Archives) and Public Service Board Report, V.P.P., 176/1891, p.12. For account of the amount of work being done by typewriter see T.R. Wilson (Under Secretary) to Public Service Board, C.S., Inward Correspondence, R.2335, 13 March 1891.

2

See criticisms of the Public Service Board in their Report, V.P.P., 3/1885, p.4, reiterated in their Report V.P.P., 134/1892-3, p.10.

principles. G.D. Carter,<sup>1</sup> merchant and member of parliament, complained of a want of 'responsibility and elasticity', and an over-dependence upon 'automatic rules'. Mr Ellery, the President of the Public Service Association,<sup>2</sup> found the Act and its administration 'very rigid and mechanical'. The Board was thought to be overly attentive to the letter of the law.

These general conclusions had emerged from a series of conflicts between the Board and the public servants during the early years of the boom. In each case the Board insisted upon a strict observance of the Act in the face of strong demands by the public servants for a recognition of their alleged disadvantages compared with other clerical employees. Several examples may be cited. In most clerical employment it was usual for increased duties or exceptional effort to be rewarded with increased salary or overtime payments. Many public servants were now required, under the exigencies of the boom, to work longer hours, to temporarily undertake work of a higher classification or to perform additional or more difficult work under the terms of their present classification. In such circumstances the interests of public servants were more clearly consistent with an acceptance of the conception of the Public Service as a kind of business

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<sup>1</sup>

V.P.D., 56/1887, p.2288.

<sup>2</sup>

Evidence to South Australian Royal Commission as reported in Argus, 12 December 1888, p.10B.

establishment than they were with their earlier insistence upon traditional rights. They accordingly pressed the Board for overtime payments, for additional payments to officers temporarily assigned to higher classifications, for some individual re-classification of jobs which had grown in scope or difficulty.<sup>1</sup>

The Public Service Board refused all these requests. Certainly it did authorize some overtime payments but, with the permanent heads, it strongly affirmed the view that 'large payments for overtime had a prejudicial effect upon officers of the Service.'<sup>2</sup> Overtime payments were therefore on a very moderate scale (about the same hourly rate as ordinary pay),<sup>3</sup> and were payable, moreover, only where the work was of a special nature or where 'the amount of it was so great as to require the attendance of officers for two or three hours a day beyond the usual hours.'<sup>4</sup> The claim of officers for additional payments when they were temporarily assigned to a higher class, though it had the support of superior officers and some M.P.'s,<sup>5</sup> was rejected by the Board as

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On question of overtime see Public Service Board Reports V.P.P., 114/1888, p.4 and *ibid.*, 121/1889, pp. 7-8; on question of temporary assignment to higher classification, see Report *ibid.*, 114/1888, pp.4-5; and on question of individual re-classification see Report, *ibid.*, 159/1890, p.7.

2

Public Service Board Report, *Ibid.*, 114/1888, p.4.

3

Public Service Board Report, *ibid.*, 121/1889, pp.7-8.

4

*Ibid.*

5

E.g., support of Dr Quick, V.P.D., 56/1887, p.2274.

'striking at the root of cheerful service and [as] ... subversive of proper discipline.'<sup>1</sup> Officers should regard such higher duties as a valuable opportunity of training themselves for eventual promotion. Many officers who found themselves performing larger and more complex tasks under the same description and classification now appealed to the Board for re-classification. Once again, however, the Board refused to comply, even though Section 24 of the Act seemed to provide grounds for such action. Rather did the Board adhere to what it took to be 'spirit and intention of the law'; applications for re-classification, on its interpretation, could emanate only from a permanent head.<sup>2</sup>

The Public Service Board itself recognized that the operation of the Service was, in many respects, too mechanical but this, its Chairman believed, was an ineluctable consequence of the Act itself:

We have to act upon hard and fast lines, and that is one reason why the board has been accused of being so strict in its dealings; we are tied hand and foot by the provisions of the Act.<sup>3</sup>

This, no doubt, was true; nevertheless, by 1887-8, the members of the Legislatures as well as the Board were

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1

Public Service Board Report, V.P.P., 114/1888, p.5.

2

Public Service Board Report, ibid., 159/1890, p.7.

3

Evidence before South Australian Royal Commission quoted Argus, 12 December 1888, p.10C.

being inundated with 'an immense number of communications from persons in the public service - communications ventilating all kinds of grievances.'<sup>1</sup> Many of the complaints were confused and ill-founded; nevertheless the Government was bound to admit that 'there must be some friction or there would not be so much irritation.'<sup>2</sup> Other officers registered their sense of frustration by actually leaving the Service for private employment or independent business.<sup>3</sup> Although it was not very large, the exodus did include some officers with excellent records.<sup>4</sup> Further, there were signs that recruitment to the Service was lagging behind requirements: although the number of candidates for examination remained high, in 1888 the number of successful candidates was, for the first time, less than the number of persons admitted to the Service.<sup>5</sup>

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1

Hall, V.P.D., 56/1887, p.2292 and Cooper, *ibid.*, p.2281.

2

Carter, *ibid.*, p.2288.

3

Daily Telegraph, 4 July 1888, p.6E and Langridge, V.P.D., 59/1888, p.1912.

4

See return of officers who resigned from the Service, V.P.P., C17/1888.

5

1888: 308 officers passed; 315 selected.

1889: 196 officers passed; 259 selected.

(Public Service Board Reports.)

All these circumstances, therefore, made it necessary for the Government to bring the administration of the Public Service more nearly into harmony with the times. A bill which was introduced into the Assembly late in 1887<sup>1</sup> was designed to achieve this object by two means: first, by conceding a few long-standing grievances of the present officers and second, by opening up several untapped or under-utilized sources of clerical labour to the Service. Although the claims of officers appointed under Act 160 for the increments they would have received under that Act were put aside by the Courts, it was proposed, under this new Act, to concede them as a matter of grace and equity. Further, the Bill incorporated a provision for reconsideration by the Board of individual cases of alleged wrong classification. The Bill aimed secondly to enlarge the recruitment of public servants by extending the compulsory retiring age to 65, by admitting some females to clerical service, by raising the maximum age for recruitment from 25 to 30 and by providing means for qualified members of the non-clerical service to enter the clerical service without loss of pay. The new Bill also proposed to extend the maximum period of continuous employment of a temporary officer from three to nine months.

In introducing the Bill, Gillies intimated that the Government had considered other reforms designed to achieve similar effects, such as the amalgamation of

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Gillies' Second Reading Speech, V.P.D., 56/1887, p.2260.

the 4th and 5th classes so as to give officers unimpeded progress by increments to the top of the present 4th class, the introduction of cumulative leave, and complete abolition of compulsory insurance and the constitution of a special board to reconsider classifications. The measures included in the Bill, however, were deemed as large a concession to the Service as was consistent with economy and public responsibility.<sup>1</sup>

The Bill was introduced into the Assembly in November 1887 and immediately fell victim to the obstructionism of Bent and his small 'opposition' who demanded a full enquiry in the operation of the Act.<sup>2</sup> They 'stone-walled' the Bill through the night of 6 December and on the morrow Gillies simply abandoned it.<sup>3</sup> During 1888 the 'Opposition' revived their proposal for a committee of enquiry<sup>4</sup> and the Government renewed their promise of a bill.<sup>5</sup> It was not until early in 1889, however, that the Bill appeared.<sup>6</sup> It differed from that of 1887 in omitting both the

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1

Ibid., p.2270.

2

Ibid., pp.2400-2410.

3

Ibid., p.2495.

4

Ibid., 59/1888, pp.2347-8.

5

Ibid., p.1912.

6

Ibid., 60/1889, p.260ff, on clause 6 see pp.393-7.

proposals designed to appease the aggrieved officers. On the other hand, it did contain a new clause (Section 6) designed to facilitate the promotion of individuals with special skill or experience irrespective of their seniority or previous classification. Although the clause guaranteeing the increments to the Act 160 officers was successfully reintroduced as an amendment,<sup>1</sup> it could be argued that the Act of 1889 was more 'meritocratic' in spirit than the abortive Bill of 1887.

It could also be argued, no doubt, that the ad hoc reforms of 1889 helped to bring the Public Service into closer conformity with conditions in 'outside' business. Nevertheless, it is probably a measure of the extent to which the Public Service still fell short of the 'quasi-mercantile' ideal, that most of the measures contained in the Public Service Act of 1889 were directed, not primarily to equalizing opportunities and rewards within the Public Service with those outside (as the 'rejected' proposals of 1887 might have done),<sup>2</sup> but to drawing into the clerical division of the Public Service sections of the work force which were, in any case, disadvantaged in the competition for 'outside' clerical employment viz. women, young men 25-30, 'sexagerians', and non-clerical public servants.

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1

For the Government's arguments for omitting such a provision see second reading speech, *ibid.*, *ibid.*, pp.263-4; debate on amendment, pp.603-11.

2

See p.297 above.



The Act of 1889 marks the high-point of public service expansion. From 1890-1 it became evident that the Government could not long continue to maintain so large and under-employed a service. Retrenchment at first was postponed as the Government temporized: the staff of the Law Department, for example, was maintained at full strength to take up a back-log of work from the land boom - even though the boom itself was spent.<sup>1</sup> Nevertheless, the Public Works Department staff was substantially reduced and efforts were made to reduce the number of temporary employees.<sup>2</sup>

By 1892, however, it was patent that whatever reductions were allowable under Act 773 would simply not meet the case. More thorough means were required. Two broad courses of action were considered: one, the stopping of increments and recruitment; the other, a pro rata reduction of salaries. The Cabinet were understood to dislike the latter proposal.<sup>3</sup> In April a conference was held between the Premier and his departmental heads and a committee was appointed to devise further means. Its first suggestions - the simplification and standardization of routine procedures and the abolition of unnecessary offices - were

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1

Public Service Board Report, V.P.P., 176/1891, pp.14-15.

2

See Table 5.1. Temporary employment nevertheless remained fairly high because of recruitment for the Census. (Public Service Board Reports, V.P.P., 134/1892-3, p.18).

3

Argus, 14 March 1892, p.5A.

calculated to ensure that later and more painful reductions of men could be set beside a corresponding reduction of offices.<sup>1</sup> By mid-May the committee was also contemplating reductions in the status and pay of some senior officers.<sup>2</sup> At the end of that month it suggested the amalgamation of some departments.

(Agriculture with Water Supply; Health and Public Works) the abolition of another (the Marine Board) an increase in the duties of some officers (Post masters were to perform the duties of Registrars of Births, Marriages and Deaths) and the compulsory retirement of all officers over 60 years of age. The committee also rejected a general suspension of increments (a proposal which had been most unfavourably received in the lower echelons of the Service)<sup>3</sup> in favour of a five per cent reduction of all salaries over £250.<sup>4</sup> A Bill, generally in accordance with this principle (it provided for reductions of 2.5 per cent upon salaries £150-300, five per cent on salaries £300-750 and 7.5 per cent upon salaries over £750) was passed in December 1892.<sup>5</sup>

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1

Ibid., 27 April 1892, note also the remarks of Templeton that increased efficiency would enable the service to dispense with 600 temporary employees (ibid., 21 March 1893, p.109).

2

Ibid., 20 May 1892, p.4H.

3

See letters of protest, ibid., 23 March 1892, p.7C and 2 April 1892, p.9D.

4

Ibid., 30 May 1892, p.5C.

5

Act 1276 Schedule.

In the middle of 1892, therefore, it seemed that the policy of public service retrenchment would entail some structural reorganization, some procedural economies and some salary reductions. All these changes, however, could be made without altering the fundamental principles of Act 773. Nevertheless events so shaped themselves that, by mid-1893 when the legislators again set to work, the principles of that Act - and not merely its details - were being debated. How had this come to pass?

Among its various and sometimes confused elements, 'Victorian Liberalism' contained an identifiable strain of what may best be described as 'urban populism': it strongly supported the sovereignty of the popular assembly and affirmed the beneficence of the representative's intervention in the detailed concerns of government. It displayed a corresponding hostility to formally impartial boards or commissions: such institutions were seen as undemocratic in their basis, conservative and 'mechanical' in their operation and, ultimately, corrupting in their effects.<sup>1</sup> Furthermore, 'Victorian Liberals' shared a generally sceptical attitude towards 'competition' or 'the market' as a means to just social arrangements.<sup>2</sup>

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1

See e.g., speech of C.H. Pearson, V.P.D., 44/1883, p.889ff.

2

See J.A. La Nauze, Political Economy in Australia (Melbourne 1949), pp.113-115 for account of Syme's 'anti-competitive' economic and social theory.

We have already seen how the Service Ministry, (a Coalition which was Cobdenite at the core) had brought the Public Service and the Railways under such impartial boards and had endeavoured to manage them in accordance with 'competitive' or 'market' principles.<sup>1</sup> From the beginning, Syme's Age as the chief organ of 'Liberal' sentiment, had treated these experiments with reserve. By the early 'nineties it began to look as though this scepticism - at least so far as it concerned the Railways - had been justified. Syme mounted a most savage attack upon the extravagance and mismanagement of the Railways, reserving his sharpest barbs for the Chief Commissioner Richard Speight who, in 1892, sued Syme for libel.<sup>2</sup>

Once this contest had moved from the press and into court, Syme turned his attention to the other Board. Colonel Templeton, its first Chairman had already been forced to resign in 1889 when Press and Parliament had questioned his continued association, as a director, with the National Mutual Life Association.<sup>3</sup>

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1

The Railways and Public Service legislation were sometimes referred to as 'twin Acts'; note also that the Public Service Board (Section 4 of Act 773) is constituted in a similar fashion to the Railways Commissioners.

2

For accounts of this celebrated case see C.E. Sayers, David Syme - A Life (Melbourne 1865), chapter 19 and Michael Cannon, The Landboomers (Melbourne 1966) chapter 6.

3

See V.P.D., 57/1888, pp.243-263 and 58/1888, pp.1491-5 also V.P.P., C1/1888.

Syme now concentrated his attack upon the Public Service Board 'as a spending body'.<sup>1</sup> With a fine Celtic nose for extravagance he tried to root out scandals comparable to those he had exposed in the Railways. His criticisms, however, remained at the level of generalities. The Public Service Board, it was alleged, had not merely failed to do the things which it was bound to do, but 'its manifold sins of commission [had] been no less baneful.'

It has not only introduced classifications into the public service for which there was no necessity, but it seems to have translated into its own sphere the principle embodied in the excellent proverb which says that the man who causes two blades of grass to grow where only one grew before had deserved well of his fellow men.<sup>2</sup>

In view of the Board's resistance to the creation of new classifications and to increases in temporary employment, these criticisms appear unfounded. In replying to them, Col. Couchman,<sup>3</sup> the new Chairman of the Board argued plausibly that the Age had over-estimated the number of additions to the Service, that most of the additions were justified by the greatly increased volume of work (e.g., in Posts and Telegraphs) and that, where

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<sup>1</sup> Articles Age, 19, 26 November, 14 December 1892.

<sup>2</sup> Ibid., 19 November 1892, pp.13A-B.

<sup>3</sup> Argus, 25 November 1892, p.5C-D. Reply in Age, 2 December 1892, with comment from the Age; another letter and another reply from the Age, 9 December 1892.

unnecessary appointments had been made, they had been strenuously opposed by the Board.

The Argus's support for the Board was a virtual corollary of the Age's opposition. It warmly supported the tendency to administration by impartial boards:

Everywhere the English race is declaring against personal administration and declaring in favour of rendering the conditions of the public service honourable to the country and fair to all.<sup>1</sup>

It argued that the responsibility for defects in the service lay, not with the Board - whose powers were very limited - but with the ministers and permanent heads.

It is impossible for any public service board to live in a condition of incessant warfare with ministers and permanent heads, and the Commissioners in most cases probably lose the day. Hence it must be laid down as a broad rule, that the responsibility for any over-manning, any lack of discipline, any circumlocution in the offices, lies with the permanent heads.<sup>2</sup>

The timely explosion of conflict between the Board and the Under-Treasurer over 'reforms' suggested by the Board highlighted, but did little to settle, the question of responsibility.<sup>3</sup> Indeed most of the public

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1

Argus, 10 May 1892, p.4E.

2

Ibid., 8 November 1892, p.4G.

3

See correspondence relating to the dispute between the Public Service Board and the Under-Secretary (T.R. Wilson) over the implementation of certain 'reforms' suggested by the Board: 'Public Service Board and Chief Secretary's Department' in V.P.P., C3 and 8/1892-3.

argument tends merely to reinforce an impression that both sides were adopting positions based upon fundamental principles rather than recent evidence.

It was, however, in such a context of competing principles that the fate of the Public Service Board became confounded with the primary question of retrenchment. In August 1893 James Patterson introduced a Public Officers Salaries Reduction Bill<sup>1</sup> which was designed to further reduce public service salaries for the years to 1895-6 according to a scale which ran from five per cent reduction in the £100-150 salary range to 15 per cent for salaries £1000 and over.<sup>2</sup>

Debate on the Bill turned mainly on the question of whether reductions should be applied at all levels or should apply only to the salaries of middle and higher public servants. Prominent among the advocates of the former view were businessmen like Harper,<sup>3</sup> Stuart,<sup>4</sup> Carter,<sup>5</sup> and Zox<sup>6</sup> whose allegiance to the rules of the market entailed a reduction of public servants' salaries to the level of other clerks'.

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1

Act no.1313.

2

See Sections 4, 5 and 6 and the Schedule to the Act no.1313.

3

V.P.D., 72/1893, p.1103-4.

4

Ibid., p.1117.

5

Ibid., p.1108.

6

Ibid., pp.1106-7.

Men had to live on what they could fairly earn according to their ability. That was an economic law which could not be evaded.<sup>1</sup>

Lower prices and rents, they argued, made it possible for public servants to live comfortably on their reduced salaries.<sup>2</sup> Furthermore, only reductions among the more numerous fourth and fifth classes would ensure adequate economies to the Treasury.<sup>3</sup> Those who held to this viewpoint were actually inclined to oppose reductions in the higher echelons of the Service as a 'false economy': it was necessary, now more than ever, that the Public Service should have able men to direct its affairs efficiently and economically.<sup>4</sup>

The most earnest advocates of a partial reduction were the representatives of the Progressive Political League - Trenwith,<sup>5</sup> Winter<sup>6</sup> and Maloney.<sup>7</sup> In contrast to the businessmen, they explicitly rejected the market as sole arbiter in wage determination. Winter, for example,

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1

Ibid., p.1104.

2

Ibid., Harper, p.1102, Carter, p.1108.

3

Ibid., Harper, p.1102-3.

4

Ibid., Henry Wrixon, p.1090 and Harper, p.1104.

5

Ibid., p.1089.

6

Ibid., p.1105.

7

Ibid., p.1171.



admitted that at the present time many men were employed at lower rates, but was it to be said, because men in competition with one another were compelled by force of circumstances to accept much lower wages than they should receive, that the same principle should obtain in the public service?<sup>1</sup>

They saw the gradations in the Public Service as a reflection of those more general inequalities in society which they hoped to reduce:

They ought to follow the principle, which was largely recognized in this colony, of making an approach to wiping out the lines of demarcation - social and otherwise - that existed in the community .... He hoped that in dealing with retrenchment they would make a nearer approach to creating a proper equipoise in connection with salaries.<sup>2</sup>

Trenwith accordingly moved an amendment that reductions under £150 should be omitted from the Bill. However, it was defeated 44 to 39.<sup>3</sup>

In the course of this debate rather more members accepted the axiom that the Public Service should be run as 'a great quasi-mercantile establishment' than were prepared to accept its apparent corollary - that public service salaries, like mercantile salaries, should be responsive to pressures of supply and demand. Some, however, used the axiom as a basis for other

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1

Ibid., p.1105.

2

Ibid., p.1089.

3

Ibid., p.1123 (division list).

proposals: that public servants, like mercantile clerks, should be subject to dismissal when the demand for their services subsided,<sup>1</sup> or that economies were to be achieved through business-like management.<sup>2</sup> These proposals - and others which were founded upon the same ideal conception of the Public Service - were more closely debated when the Public Service Act Amendment<sup>3</sup> Bill was introduced a few weeks later.

This Bill embodied four main proposals. Two followed fairly naturally from the retrenchment measures already considered. A new and much lower range of salaries was to apply to persons newly appointed or promoted in the Service.<sup>4</sup> It was provided, however, that all promoted officers should continue to receive their present salary unless the salary of the new position exceeded it. Secondly, increments were henceforth not to be automatic but would be granted when the officer was recommended by his permanent head

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1

Ibid., Ievers, p.1095.

2

Ibid., Duffy '... this scheme of retrenchment was not what the country wanted .... It wanted an amalgamation in the departments, less of the circuloctution office, and more of the business methods of the banks, large trading companies, and successful merchants', p.1100.

3

Act no.1324; see Patterson, second reading speech (V.P.D., 72/1893, p.1369ff.).

4

The reductions were of about the same order as those imposed upon the present servants under Act 1313.

and the Public Service Board.<sup>1</sup> This, as the Board itself noted, was in conformity with the spirit, though not the letter, of Act 773.<sup>2</sup>

The other two proposals were more novel and important. First, the Public Service Board was to be dissolved and its duties assumed by the Audit Commissioners.<sup>3</sup> According to Patterson who introduced the Bill, this was intended simply as a measure of economy; it would save the salaries of the Commissioners and their staff.<sup>4</sup> Such an explanation, however, seems inadequate. It is difficult to believe that, without Syme's campaign against the Board and its former Chairman, such a proposal would have been entertained. Several members, including Harper,<sup>5</sup> Outtrim<sup>6</sup> and Deakin,<sup>7</sup> opposed it, arguing that it was motivated by false notions of economy and that the Audit Commissioners, even more than their predecessors, were unfitted to exercise 'a commercial and business management of the public service'. This feature of the Bill, in Deakin's eyes, was

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1 Act 1324, Section 12.

2 Public Service Board Report, V.P.P., 55/1893, p.3.

3 Act 1324, Section 3.

4 V.P.D., 72/1893, p.1384.

5 Ibid., p.1388.

6 Ibid., p.1380.

7 Ibid., p.1378.

... another downward step from the high ideal of having the Public Service managed on business and commercial principles independently of politics and politicians.<sup>1</sup>

Supporters of the measure simply claimed that it would achieve all those things which the Public Service Board had been supposed to do, but with greater economy. Syme's attacks upon the Board as an institution, however, were not revived.

The second major proposal in the Bill concerned promotions.<sup>2</sup> At first sight it seemed designed, as its supporters claimed, to 'allow merit to go ahead a little'<sup>3</sup> for it provided that promotions were to be based not upon 'seniority and merit and fitness for the office to be filled' (as they were under Act 773) but upon 'merit, good and diligent conduct, length of service and relative seniority.'<sup>4</sup> But what the new Bill seemed to concede to merit in this clause it took away in another,<sup>5</sup> for it was provided that no officer should be promoted to a higher subdivision without having first served for twelve months in the subdivision below it. As Isaacs perceived, 'the principle was that as a

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<sup>1</sup> Ibid., p.1380.

<sup>2</sup> Act 1324, Sections 12-15.

<sup>3</sup> Isaacs, V.P.D., 73/1893, pp.1504-5.

<sup>4</sup> Section 13.

<sup>5</sup> Section 14.

general rule a man must go through the ranks, just like a soldier, and take step by step.'<sup>1</sup> As clause 6 of the 1889 Act had promised to accelerate the promotion of talent, so was this clause effectively to block it.<sup>2</sup> Several members perceived its probable effects and tried to design amendments to avert them. O'Loghlen's<sup>3</sup> required a man to stay in a position for at least twelve months before he was promoted to another but permitted him to rise by more than one step. This variant, however, was unacceptable to many members for it seemed to open the way for officers to be 'jumped' by patronage or favouritism.<sup>4</sup> Isaacs proposed that there should be a means of 'recognizing and rewarding exceptional merit in exceptional cases'; such men, upon a special resolution of the Assembly, might be promoted from any class or subdivision to any class or subdivision whatever.<sup>5</sup> Isaacs' amendment passed the Assembly<sup>6</sup> but

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<sup>1</sup> V.P.D., 73/1893, p.1453.

<sup>2</sup> See especially remarks of O'Loghlen, *ibid.*, p.1454.

<sup>3</sup> *Ibid.*, p.1453. O'Loghlen's amendment simply proposed to substitute 'the' for 'each' in the original Section 14.

<sup>4</sup> See Isaacs' comments, *ibid.*, p.1453 and those of Sir Graham Berry, p.1454.

<sup>5</sup> *Ibid.*, p.1503. Various members argued against the amendment that it would open the way to political influence (Taylor, p.1504) and that it would constitute an offence to the Legislative Council - as, indeed, it did. (Turner, p.1504).

<sup>6</sup> *Ibid.*, p.1506.

it constituted an obvious affront to the Council where it was rejected without debate.<sup>1</sup> It was again put to the Assembly where it passed by 25 to 24 on the casting vote of the Speaker.<sup>2</sup> Finally, however, it was not insisted upon and the Bill (Act 1324) passed into law without it.<sup>3</sup>

The deficiencies of Act 1324 were soon apparent. In their first report on the Public Service,<sup>4</sup> the Audit Commissioners expressed their concern lest a general restriction of promotion should 'remove that stimulus for exertion on the part of the more capable officers in the Public Service which it is obviously so important to hold out'.<sup>5</sup> Economy, they believed, was to be achieved only by efficiency and efficiency only through incentives.

Those in the employ of banks, insurance, or other public companies, or merchants, know that their advancement depends on their own ability, integrity and exertion; their employers found that 'it pays' to advance those who exhibit those qualities; and we do not see any good reason why, with proper safeguards, the same principle should not be recognized in regard to the Public Service

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1 Ibid., p.1948.

2 V.P.D., 73/1893, p.2094.

3 Ibid., p.2263.

4 Public Service Board Report, V.P.P., 14/1894-5.

5 Ibid., p.5-6.

of the country, believing as we do that, in the interests of economy alone, efficient and honest service should here, also, have its due stimulus and reward.<sup>1</sup>

It was imperative, therefore, that the restrictions imposed by Act 1324 should be 'removed or modified.'<sup>2</sup>

Yet, although the principles of this Act seem to run directly in the face of those earlier measures which upheld the 'business' ideal, it is not, on that account, to be interpreted as an act denying the relevance of 'business and commercial' ideals to the management of the Public Service. For business itself had changed since 1889. Indeed, it could be argued that the removal of 'discredited' boards, gradual reductions of salaries, suspension of promotions and increments were developments as typical of business houses as they were of the Public Service.<sup>3</sup>

Granting the existence of such parallels, one is still bound to consider the extent to which the 'high ideal' of 'commercial and business management', of 'a quasi-mercantile establishment', actually determined the development of the Public Service. Are such parallels as we find perhaps consistent with a commonsense, pragmatic approach to the management of the Public Service? Were changes largely determined by the

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Ibid.

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Ibid.

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See chapter I.

pressure of the administrative load, or the abundance and scarcity of resources rather than cultural influences from the sphere of business? Perhaps; but commonsense was not a new commodity and the varying allocation of resources was a problem faced by other government services, and by this one in other times, without their adopting the kinds of solutions which we have described.<sup>1</sup> It is surely of significance that the 'business' ideal was so commonly invoked in relation to the conduct of the Public Service, that its proponents were largely business men, that the ideal itself fathered a set of practical aims for the Public Service which could be set against opposing aims. This is not to deny that there was a convenient vagueness about the ideal or that it was more commonly invoked to support measures of 'economy' than measures to promote initiative and opportunity amongst members of the Service.

The relevance of an ideal, of course, does not depend upon its attainment. F.T. Sargood, who knew enough of both business and public service to be aware of the differences, believed them to be irreducible:

The commercial man all his life lived in the free air of commercial competition while ... the public servant ... dwelt in a departmental atmosphere, which was a very different thing.<sup>2</sup>

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Compare, for example, the different response of the N.S.W. Public Service to depression (see Ken Knight, 'Patronage and the 1894 Royal Commission of Enquiry into the New South Wales Public Service', Australian Journal of Politics and History, vol.VII, no.2, November 1961, pp.166-185.)

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V.P.D., 73/1893, p.1762.



Yet, if the Public Service in 1893 remained different in organization and ethos from the merchant's office, it was also undeniably different from the Civil Service of a decade earlier. It may still be argued that the intervening changes in its recruitment, structure, methods and 'atmosphere' were affected as legislators, commissioners and the public servants themselves sought to attain the shifting ideal of 'a great quasi-mercantile establishment'.

## A 'METROPOLITAN ECONOMY'

The preceding chapters have described the growth of a 'metropolitan economy' in five sectors of Melbourne's work-a-day world. Before moving to other themes and areas of the city's development it may be salutary to reflect more generally upon the scope and sources of the social movements which have been subsumed under that very general description.

The 'metropolitan economy', of course, is an 'ideal-type',<sup>1</sup> a measuring stick for social change in specific historical situations. We have assumed the 'metropolitan economy' to be based, fundamentally, upon the sovereignty of market structures, mechanisms and values and to be distinguished by an attachment to competitive and formal methods of social organization. By contrast, the traditionalism to which it has been opposed - whether it was manifest in the relationship of the 'old-time' merchant and his senior clerk, the 'Protectionist alliance' of the manufacturer and his workman, the 'system' of the builder and his artisans, the confidential 'guidance and friendship' of the professional man and his client, or the connexion of the civil servant and his patron - was based rather upon custom, status and considerations of personal

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For the locus classicus of this much-debated concept see Max Weber, The Methodology of the Social Sciences (Glencoe, 1949), pp.90-112.

worth and obligation. It is the main burden of the preceding pages that the prodigious physical growth of Melbourne during the 'eighties also brought the city-as-social-system more closely into line with the structures, mechanisms and values of the 'metropolitan economy'.<sup>1</sup>

The cessation of physical growth, however, did not signal an end to the advance of the 'metropolitan economy'. Certainly, during the early 'nineties, there was a widespread disposition to challenge the sovereignty of the market. It was apparent in yearnings for the reappearance of 'the old honest British merchant' and attempts to re-establish customary relations of trust in commercial circles; in the fascination of manufacturing and building employees with cooperative and communitarian ideas; in efforts to remove the public service from its 'quasi-mercantile' administrators. But there was also a more compelling impulse to ensure that no surviving sanctuary of custom or patronage should escape the ordeal of 'cut-throat' competition. So complete was the triumph of the new régime during the palmy days of the boom that in the depression, when its dictates became harsher, none could gainsay them.

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The concept of a 'metropolitan economy', as it is used here, has much in common with Louis Wirth's famous definition of 'urbanism as a way of life' (reprinted in Paul K. Hatt and Albert J. Reiss, Cities and Society (New York 1957), pp.46-63). Wirth's account presents the city-dweller's relations with his fellows as 'impersonal, superficial, transitory and segmental' and emphasizes the development of 'rational', 'formal' and 'competitive' (even 'predatory') modes of social conduct. For a recent critique of Wirth see R.N. Morris, Urban Sociology (London 1968) passim.

The causes which bore upon these transformations can only be broadly indicated. It is tempting to suppose that Melbourne, in the 'eighties, was approaching a kind of population/density threshold at which new forms of social life emerged simply as a response to the difficulty in maintaining informal communications.<sup>1</sup> If so, it might explain the general preoccupation in Melbourne with the development of exchanges, trade journals, telegraph and telephone, transport and other communications services. But as striking as the internal dynamism of the 'metropolitan economy' was its thorough dependence upon external influences. British immigrants, British and increasingly American technology, British legislative precedents, European educational ideas - all made important contributions to the emergence, in Melbourne, of a distinctively urban way of life.

The contribution of immigrants was a mixed one; some, like the new manufacturers' agents, were the very harbingers of a metropolitan economy; others, however, like some professional men and builders, firmly upheld traditional British forms and values.

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The appreciation of such formal considerations in the process of city growth was transmitted from Georg Simmel through Robert Park to the work of the 'Chicago School' of Urban Sociology (see Maurice Stein, The Eclipse of Community (New York 1960), p.15, and Robert E. Park, 'Human Ecology' in Georg A. Theodorson, Studies in Human Ecology (New York 1961), pp.22ff.).

Neither should the role of technology be exaggerated. In contrast to some 'classic' examples of nineteenth century urbanization, Melbourne's development is largely explicable without resort to industrial technology. Secondary industry, in fact, played only a minor part in metropolitan growth and much innovation was mere tinkering. Nevertheless, the introduction of the Remington typewriter, the Bessemer furnace, the Goodyear welt-stitcher, the Bradley-Craven brick press, the Austral Otis hydraulic lift and the cable tram each brought notable changes in social organization. Furthermore, Melbourne was a city alive and responsive to 'technic art'. Twice during our period her citizens viewed the world's latest technology at the Exhibitions of 1880-1 and 1888-9. She had her own small, but active and self-conscious group of inventors.<sup>1</sup>

There was, thirdly, a group of external cultural influences, difficult to specify with any exactness, which provided the models for new forms of social organization. Notable among these was the force of British legal and legislative precedents. It was a stock response of colonial legislators confronted with new problems of company organization, factory regulation, patents, civil service administration, or professional protection to consult English statutes.<sup>2</sup> In the slow

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Their activities are recorded mainly in the files of the Victorian Engineer.

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There is need for a systematic study of the extent of colonial dependence upon English legislation especially in the area of social legislation and political rights.

development of technical and commercial education, Melbournians tended rather to Continental examples, especially the German hochschule.

Yet legislative models and foreign examples rarely have the force of injunctions, and technology is seldom introduced where intrepeneurs are not alive to its potential. The building of a 'metropolitan economy', in the last analysis, was largely the culmination of Melbournians' own aspirations. It was believed that Melbourne should be the 'metropolis of Australasia'. The 'metropolitan economy' was not merely an ideal-type but an ideal.<sup>1</sup>

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See below chapter 9.