COOPERATION AND LABOUR MANAGEMENT
AT ELECTROLYTIC ZINC AND CADBURY-FRY-PASCALL
BETWEEN 1918 AND 1939.

by

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thesis.

[Signature]
I would like to thank the Confectioners Union, the Federated Ironworkers Association, E.Z and Cadbury for permission to use their records, and the staff at the archives and libraries I used including the State Archives of Tasmania, Melbourne University Archives, Australian University Archives Of Business and Labour, the Latrobe Library, E.Z Library and the University of Tasmania Archives.

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ABSTRACT.

In the period between the First World War and the Second World War, the firms of Cadbury-Fry-Pascall (Cadbury) and the Electrolytic Zinc Company of Australia Ltd. (E.Z) were unusual because they had extensive welfare schemes and an almost complete absence of industrial conflict in an era that sometimes experienced quite violent industrial action. The coincidence of these two factors was not accidental.

Cadbury and E.Z had interpreted the bitter industrial conflict at the end of the First World War was not really a demand for more money but a protest against their living conditions. The two firms believed it was their obligation to cooperate with their workers and supply them with housing and other welfare benefits. This, they thought, would result in a content, committed and efficient workforce.

The crux of both these companies welfare programmes was the planned creation of model industrial villages. The Cadbury scheme at Claremont and the E.Z scheme at Lutana both failed to reach the scale their creators had envisaged. This was basically because the companies did not want to bear the expense of building houses, and the
workers did not want to live in the company sites. The other aspect of the welfare programme was the provision of medical schemes, pension funds and sporting and recreational activities and facilities. These schemes were well patronised and engendered in employees a feeling of commitment to the company.

At both Cadbury and E.Z unionism was weak. This was in part because joint employer/employee bodies, such as the Works Committee at E.Z and the Factory Committee at Cadbury, undertook functions that are usually carried out by the unions. The workers at E.Z came under the Tasmanian Wages Board System, which often awarded lower wages and longer hours than federal Arbitration Court awards. Union attempts to gain coverage under the federal awards were successively defeated, thereby making union membership appear irrelevant. The workers at Cadbury were covered by two separate federal Arbitration Court awards for the men and women. The awards were structured around the organisation of work at Cadbury, and classified women’s work as unskilled and men’s work as skilled. The effect of the sexual division of labour perpetrated by Cadbury was to make it difficult to organise the women and defined them, rather than the Company, as a threat to the men’s wages and conditions. This was reflected in the unions tendency to fight amongst themselves rather than engage Cadbury.
Overall the cooperative welfare centered industrial relations policies of Cadbury and E.Z enabled them, with the assistance of the state, to manage their labour force in such an effective manner they were able to virtually avoid industrial conflict for twenty years.
Abbreviations Used In The Text.

A.B.L.  Australian National University Archives of Business and Labour.
A.O.T.  Archives Office Of Tasmania.
A.E.U.  Amalgamated Engineering Union.
A.L.P.  Australian Labor Party.
A.S.E.  Amalgamated Society of Engineers.
A.W.U.  Australian Workers Union.
B.L.F.  Builders Labourers Federation.
Cadbury.  Cadbury-Fry-Pascall Pty. Ltd.
C.C.  Cadbury-Fry-Pascall Pty. Ltd. Claremont.
C.F.P.  Cadbury-Fry-Pascall Pty. Ltd.
E.Z.  Electrolytic Zinc Company of Australia Proprietary Ltd.
F.C.A.A.  Federated Confectioners Association of Australia.
F.C.U.  Female Confectioners Union.
F.I.A.  Federated Ironworkers Association.
M.U.A.  Melbourne University Archives.
U.A.P.  United Australia Party.
U.T.A.  University of Tasmania Archives.
Z.W.U.  Zinc Workers Union.
CHAPTER 1

INTRODUCTION.

This thesis looks at two Hobart firms – Cadbury-Fry-Pascall and the Electrolytic Zinc Company of Australia Pty. Ltd – and their industrial relations policies in the inter war years. These firms were unusual amongst Australian firms in that they structured their industrial relations policy around extensive welfare schemes at a time when this was the exception rather than the rule. This was as a response to a phenomenon Connell and Irving term ‘working class mobilisation’\(^1\) which had made these manufacturers reassess their means of labour management. Management broadened their means of control within the workplace and sought to control the workforce away from the point of production by creating model industrial villages. The thesis aims to look at the circumstances and beliefs behind Electrolytic Zinc’s and Cadbury-Fry-Pascall’s industrial relations policy taking the form they did; the consequences of that industrial relations policy and the role of the state through the operation of government organisations and the arbitration system in reinforcing that policy. In order to understand this radical reorientation in industrial relations we must look at the political, economic and labour market context.

\(^1\) R.W. Connell and T.H. Irving, *Class Structure in Australian History*, (Melbourne, 1980), p. 188.
in the 1920's focusing upon the ideological and economic ascent of manufacturing interests in this period.

The period of time around the establishment of Electrolytic Zinc (E.Z) and Cadbury-Fry-Pascall (Cadbury) was a period of profound change in the Australian economy. The period between the wars marked Britain's retreat from the international economy to the Empire, where political servility was translated into concrete privileges for British capital through agreements such as Imperial Trade Preference. A rise in unemployment and the loss of export markets to countries such as America gave rise to a policy which aimed at the efficient reallocation of capital and labour within the Empire. A number of local factors intervened to make Australia an ideal country for the scheme such as political stability, the scope for expansion and development, the developmentalism of the state governments and their eagerness for overseas capital and the infrastructural demands thrown up by a growing urban consumer society. Also relevant was the fact that Australia was experiencing a spate of relatively autonomous manufacturing development encouraged by the captive market situation of the war. The interaction of the conditions of economic decline in Britain and the

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emergence of broader manufacturing possibilities in Australia provided the basis for the growth of the metals sector and its subsequent development.

It is against this background that E.Z. was established at Risdon, Tasmania, by the Collins House group. This was an alliance of Anglo-Australian lead-zinc interests which had largely been based in Broken Hill, and who took the name Collins House from its headquarters in Collins House 360-366 Collins St, Melbourne. Along with the Broken Hill Proprietary Company this group dominated heavy manufacturing development in the inter war period. Directors of the Collins House companies, such as the Baillieus, W.S. Robinson and Colin Fraser, formed part of Australia’s and the Empire’s ruling class. They were invited to sit on London boards, operating businesses sometimes unconnected with their Australian interests, and formed a link between Australian and British capital. They had strong links with the conservative Nationalist Party and were coupled, politically and socially, with influential groups in Britain.

The establishment of E.Z. was in a real sense made possible by the First World War. Australia’s rising war induced need for metals, coupled with shortages of imports, kept demand running ahead of production. Producers were not keen to change this situation for if
production ran ahead of demand then the price of metals would fall. The huge demand for metals pushed metal prices up, with the average price of lead, zinc and copper in 1917 being more than double the price of 1912. The high prices of metals, coupled with a conscious restriction of output, a policy of paying the pre-war rate of dividend and using profits for development works and equipment and thereby avoiding taxation, enabled Collins House to establish itself as the wealthiest capitalist grouping in the Commonwealth. A fortuitous zinc deal with the British government made the establishment of E.Z. a certainty. The close relationship between the Nationalists and Collins House enabled the Prime Minister, W.M. Hughes, to accompany Collins House director W.S. Robinson to Britain in 1917 in order to secure a 12 year contract with the British government for the supply of zinc and zinc concentrates at wartime prices. Between 1918 and 1930 this contract assured the sale of at least 25% of Australian output, at an estimated gain in excess of market prices of £4,667,000. The contract was a comforting shock absorber when the war finished, markets shrank, metal prices slumped and the labour unrest increased.³

The years between 1918-1922 were years of sometimes intense class conflict and industrial turmoil. Through

³ Ibid., p. 79.
inflation, real wages had declined significantly by the end of the war, and polarisation and bitterness were exacerbated by the conscription campaign. Tension was reinforced by the influence of the revolutionary movements abroad, particularly those of the Bolsheviks and the Industrial Workers of the World. In 1921 an Australian Communist Party was formed and although numerically small and financially impoverished it was a new and provocative option for the working class and was a visible reminder to other Australians of the discontent of the working class. In the 1920's a variety of schemes were constructed to combat labour agitation. Profit sharing and worker participation were widely discussed in business circles and in Parliament and were couched in terms such as 'co-operation'. According to Connell and Irving a corporate liberalism was emerging among some businessmen, who believed that state organisations would regulate labour and capital, capital would admit labour to the government of industry, and labour would give up strikes and bolshevism. Such a programme was based upon the assumption of a society with an integrated class structure, dominated by the corporate form of business and committed to the pursuit of what these businessmen

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defined as the pursuit of national economic interests. This scenario was envisaged only by an influential but numerically small number of businessmen. The majority of businessmen were not in the mood or the position financially to opt for such costly appeasement.

The years after 1917 marked the emergence of manufacturing interests as a political and economic power, and was strongly linked with political decisions taken at this time. The conservative wing in federal politics had regained power in 1917 after the Labor Party government had split over the conscription issue. The Nationalist Party was then formed - a coalition between the Liberal Party and the ex-Laborites. It was led by the former Labor leader W.M Hughes who had defected from Labor following the conscription crisis. The Labor Party was left bitterly divided and demoralised, and largely ineffectual. The advent of the Nationalist Party in these circumstances participated the wholesale reorganisation of conservative political leadership. The Nationalist Party marked a reorientation in conservative politics, adopting an organisation similar to the Australian Labor Party (A.L.P) with local branches and state councils. In early 1917 a network of branches of Nationalist supporters known as the National Federation was formed. This gave the party an electoral machine and a mass

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5 Connell and Irving, op. cit., p.218.
organisation which could exert its influence. It was the Nationalists attempt to become a party with a broad electoral organisation. This mass organisation posed considerable problems for the leading business groups within the conservative party. The business elements of the party congregated in the National Union which acted as a self-appointed finance group for the Nationalist Party. The Union was remodelled, reorganised and strengthened by new men and methods. It has been suggested by Baiba Irving that the new men included W.L Baillieu and Colin Fraser of Collins House. The Union was a stronghold of the most powerful British and allied economic interests in Australia and was dominated by export/import capitalists, although manufacturers were also represented. Although it did not act as a day-to-day advisory committee, it did intervene in the parliamentary party and exert pressure through the threatened withdrawal of funds.\textsuperscript{6}

Manufacturers found themselves more at ease with Hughes' leadership than did the rural community and benefitted from its policies. In 1918 he increased land tax by 20\% and fixed meat prices. Hughes was intent upon increasing state power and his the government's regulation of trade and commerce cast him at odds with rural interests. In

\textsuperscript{6} Cochrane, Industrialization and Dependence, pp. 105-106.
1818 Hughes established the Bureau of Commerce and Industry under Stirling Taylor. It was a service for British investors which, Taylor argued, would marry Australia's raw materials and British technology and by this vision turn Australia into a great industrial outpost of the empire at the doorstep of Asian and South Pacific markets. The Bureau, in conjunction with the other steps taken by Hughes, effectively put manufacturing interests amongst the dominant factions of capital represented by the Hughes government.7

Hughes used the tariff with decisive effect to achieve a more even balance between the manufacturing and primary sectors. In 1921 against an immediate background of rising unemployment, renewed immigration and dumping problems created by the world slump, the new treasurer, Walter Massey-Greene, who was later to have strong Collins House links, introduced a comprehensive tariff schedule. This excluded competition from overseas companies in the small Australian domestic market and made it feasible for manufacturers to expand into many new areas. The Tariff Board, led by a prominent manufacturer, was created in the same year with formal powers to investigate and advise Cabinet on tariff matters. Thus in the relatively short period of time the

7 Cochrane, Dissident Capitalists, p.125.
Hughes government orchestrated a shift in power towards manufacturing interests and laid some of the necessary state superstructure for industrial development in Australia.\(^8\)

In 1923 a federal coalition between the Nationalist and Country parties was elected to power and was led by S.M Bruce. The coalition moved away from the tariff towards methods of supporting economic development that was more suited to the Country Party, which was led by Earle Page. It moved towards a more direct assault on the problem of low profit levels through reducing wages and forcing marginally profitable firms to close down. Bruce came to power with the support of the Country Party and the National Union and on the condition that Hughes was to be eliminated ministerially. His government therefore rested on a powerful conglomeration of social forces whose interests were antithetical to a high tariff. The majority of National Union members were, unlike the Collins House group, pro-free trade and continuously attacked the protectionist plank of the party. Bruce abolished the Bureau of Commerce and Industry, added a primary producer to the Tariff Board and allowed the tariff wall to disintegrate, which was to the benefit of exporters such as primary producers, and to the

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\(^8\) Cochrane, Industrialization and Dependence, p. 108.
disadvantage of small manufacturers. The balanced development sought after by the Bruce government presumed both overseas capital to lay the basis for manufacturing in Australia and an expanding export surplus to pay off the interest charges on this capital. There was a need to expand and support exports to pay off the overseas debt. The immediate interests of manufacturers were subordinated to this need. Small manufacturers identified the Nationalists with "Big Capital" and split from the conservatives. They expressed their dissatisfaction through the Australian Industries Protection League (A.I.P.L). The small manufacturers were advocates of high protection, possessed a profound belief in the virtuosity of the small business enterprise and the necessity to furnish it with financial and political superstructure. They were not adverse to advocating repressive state action against the working class and were especially partial to the outlawing of strikes and the implementation of piece work. In many ways they were poles apart from manufacturers such as Collins House and Cadbury.

Whilst party politics in Tasmania often did not mirror federal patterns, both Labor and Nationalist parties in Tasmania were characterised by conservatism and an anti-

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82 Cochrane, Industrialization and Dependence, p. 109.
10 Ibid., p. 117.
labour sentiment, and both favored a hydro-industrialisation policy as the key to attracting industry. The attitudes of both parties were such that they warmed the cockles of the manufacturer and hardened the hearts and minds of the workers. The Nationalists, led by Sir Walter Lee, governed from 1916 to 1923. The Lee government’s rule was characterised by incompetent and unimaginative administration. It so maladministered the state’s finances that the 1923 deficit of £238,000 was the greatest debt accumulated in one year since the advent of responsible government, suffered serious losses on the soldier settlement schemes, misapplied funds voted by Parliament for specific purposes for quite other purposes, and poorly managed the Railway Department. This maladministration, when coupled with continual party infighting, the rapid turnover of ministries and the unpopularity of the Premier, paved the way for the election of the Labor Party, led by Joseph Lyons, in late 1925. There was perhaps some foreboding of the future direction of the Lyons government when, soon after the election, Lyons repeatedly expressed the opinion that the first duty of the government was the salvation of the State, and that the purely party programme must stand aside until the finances of Tasmania were straightened
out. It was this attitude that was to lead Jack O'Neill, secretary of the Hobart Trades and Labour Council from 1987 to 1967, to declare after the defeat of the Lyons Government in 1988 that Labor governments were 'just as bitter opponents of the workers' as Nationalist governments.

Within the Labor Party in Tasmania there had been a marked division between the industrial and the political wings, that worked to the detriment of the working class, including those workers at Cadbury and E.Z. The industrial wing of the Labor Party often felt that the political wing did not pursue industrial issues, such as preference to unionists, a shorter working week and cost of living adjustments, with sufficient vigour and that the selection of parliamentary candidates by the state executive loaded the dice against the selection of industrialist candidates. This fed a perception that the Labor Party was largely ineffectual on industrial issues and made unionists reticent about committing themselves to a party which they perceived as being incompatible with their interests. The party's poor financial


situation meant it was not adverse to accepting money from interests, such as the Henry Jones Company, whose workforce laboured under conditions that could best be described as Dickensian.\textsuperscript{13} The acceptance of such money made it unlikely that the Labour Party would exert pressure on Jones to improve conditions and made it less likely that industrial interests would be well represented within the party.

The Trades Hall Council was energetic in making representations, briefing delegations, and arranging joint meetings with the state ministers but its links with the Labor Party operated largely on this informal level as the Hobart Trades Hall Council, which became the official Tasmanian branch of the Australian Council of Trade Unions in 1987, refused to affiliate formally with the Australian Labor Party (A.L.P). Even so the Trades Hall Council found it unacceptable for an individual, George Mahoney of the Painters Union, who had stood for Parliament as an unendorsed Labor candidate and who formed a relatively short lived zincworkers union at Electrolytic Zinc in 1984, to retain his membership of the Hobart Trades Hall Council. The distance between the parliamentary and the industrial wings of the labor movement is at least partly explainable in terms of

ideological differences. Amongst the stalwarts at Trades Hall, such as Charlie Culley and Jack O’Neill, there seems to have been a genuine feelings of radicalism. In 1919 the Hobart Trades Hall Council expressed ‘hostility to militarism in any form’, denouncing Labor representatives who supported compulsory training in opposition to the federal conference. In 1920 the Council denied the ability of ‘any conference between Employer and Worker to remove what is termed Industrial Unrest as the existing capitalist system makes it inevitable that the Working Class must continue to make profits for the middle class and no real remedy can exist but the abolition of that System’, and it only reluctantly agreed to send a representative to a conference of employers and employees. At the same meeting a member of the Council was forced to resign for being an employer of labour. Two years later the Council rejected the idea of a multiplicity of craft unions centered around trades and demanded the formation of One Big Union as laid down by the Australian Trade Union Congress of the time.14

Lyons distanced himself from such radicalism and in a pre-election policy speech at Deloraine in 1925 he presented an abbreviated platform excluding the issues most significant to many unions, namely the 44 hour week and preference to unionists. By 1928 the Lyons

14 Davis, op. cit., p. 89.
government, as *The Mercury* observed 'while carrying the label of Labor' was really 'controlled by greater considerations than any of Party'. Lyons had become that conservative that he accepted his wife's suggestion that they cancel their subscription to the Australian Workers Union journal *The Worker* as it was 'too bitter in its denunciations' and 'far too intolerant and biased in the expression of its views'. Lyons had become sufficiently conservative that there was little to distinguish him from the opposition party and he was defeated in the 1928 election. After the state Labor Party's defeat Charles Metz, President of the Hobart Trades Hall Council (H.T.H.C) and Jack O'Neill, Secretary of the H.T.H.C, had no compunction about publicly rejecting the Lyons government as valueless to workers. Lyons soon left state for federal politics and in 1931 left the federal Labor Party to become a non-Labor Prime Minister. The differing interest groups in the political and industrial wings of the Labor Party resulted in a government that, with legislation and actions more appropriate to a National government, did very little to advance or even protect the workers interests.

The Arbitration system played a central role in industrial relations at E.Z and Cadbury, and in some

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15 Denholm, op. cit., p. 53.

162 Davis, op. cit., p. 92.
instances determined the shape of industrial conflict at these two factories. Arbitration can be seen as having an integrating effect on the workforce at Cadbury and E.Z as it tends to draw the substance of management/union struggles away from the workplace and into the more clinical atmosphere of the court, where a nominally value-free state decides the merits of the case and the outcome is taken as being legitimate. It is therefore necessary to see the form Arbitration took in Tasmania and the links between the state and the Arbitration process.

Australia is distinguished by the dominant part played in industrial relations by the government instituted machinery, which provides a framework for practically all industrial negotiations. Constitutional power to legislate on industrial relations was divided between the federal and state governments, with the federal government having power only to legislate for the prevention and settlement of industrial disputes extending beyond one state. It was generally expected that the federal disputes machinery would be required to deal only with those industries with obvious interstate ramifications, such as transport, but unions increasingly turned to the federal tribunal because its awards were more advantageous than those of the state tribunals. In

1986 the supremacy of the federal tribunal was established, the High Court holding not only that Commonwealth awards overruled state awards and industrial legislation, but that once the federal tribunal entered the field it covered it to the exclusion of state legislation. This was to have profound implications for industrial relations at E.Z in particular. The Tasmanian state arbitration system of the Wages Boards reflected the anti-labour sentiments of the various Tasmanian state governments. The Wages Boards worked to the advantage of employers for many years. The various state governments did not find this fact to be of sufficient concern to ever make more than fairly cosmetic changes to the legislation.

The first Tasmanian Wages Board Act was passed in 1910 by the Nationalist government of Sir Elliot Lewis. This system was introduced following the deliberations of the 1907 Royal Commission on Wages and Wage Earners and was supposedly to give some protection to workers. Manufacturers were in favour of the Wages Boards as they saw that if Tasmania did not set up its own industrial machinery they would come under Federal awards. The initial Act provided for the establishment of boards for individual crafts but was altered in 1920 to change the

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Boards from a craft to an industrial basis, thereby allowing all workers within an industry to be covered by a single award. It was this legislation that governed E.Z. Cadbury remained under a federal award. The function of the Boards was to determine such wages and conditions of service in trades and industries that were not subject to Commonwealth industrial legislation or other state legislation. The Boards were required to fix minimum rates of pay and maximum hours, and to specify journeymen classifications and the classes of work to be performed by juniors. They were able to give rulings on a wide range of other industrial matters such as overtime, penalty rates, leave entitlement, and the period of notice required for termination of employment. The Boards were appointed by the minister and consisted of an equal number of nominated representatives from the employer and employee sides of the industry, and an independent chairman. Each representative voted on the proposed agreement with the chairman having a casting vote he could use to decide a tied vote. The chairman was required to do all that was possible to bring about an agreement between the employer and employee sides before exercising his casting vote. The Board could be convened at the request of either the employer or employees.19

Whilst the structure of the Boards appears fair it had a number of aspects that disadvantaged the workers. Unlike the Federal Court, which was able to regulate for dangers to life and health, the Wages Boards had no power to regulate working conditions until a 1928 amendment to the Act empowered the Boards to determine any matter regarding conditions of employment. Although they could now regulate working conditions, this option was not pursued very often with the Boards often choosing to award monetary compensation instead. This had serious consequences on the quality of working life of many workers especially those in industries such as E.Z where conditions were dangerous and dirty. The unions did not view the Wages Boards with great enthusiasm and criticised the Wages Board Act because, unlike the industrial tribunals in other states, their union officials were not given recognition in front of the Wages Board. It was mandatory for the employee Wages Board representatives to have been engaged in the industry for twelve months during the past five years. This meant that many union secretaries or organisers, such as George Hargreaves when he became a full time organiser for the Amalgamated Society of Engineers, could not participate in the Wages Boards. The consequence was that the person who was most informed about general conditions in the industry or craft, and who would have the skills to present the employees case in the most
convincing manner, was unable to participate. But on the employers side the industrial relations expert could be elected to the Board. When vital decisions were left to the chairman's deciding vote, and he judged by the evidence presented in front of him, this is an important point. The final unpalatable point was that the Wages Boards often paid lower rates than the Federal Court. All of these factors made unions very keen to be included in a Federal Awards. At E.Z there were a number of attempts by various unions over a long period of time to break away and join the Federal Award. These attempts sometimes resulted in bitter industrial conflict.

Changed economic conditions after 1923 made it difficult for firms to operate profitably. The main problem was intensified overseas competition, vacillating and sometimes low export receipts, the over-capitalization in the building and manufacturing industries between 1919-1924, and a rise in real wages after 1922. The actions of reformist Labor governments in some states during the 1920's did not help matters. These governments extended capital's responsibilities to labour, supervised working conditions more rigorously and in some ways improved them. The principal measures introduced were employer's liability insurance schemes, the implementation of the 44

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hour week in Queensland and New South Wales and in some trades, such as timber and engineering, in all states.\textsuperscript{21}

In the years between 1924–1930 there were bitter and protracted strikes centered in the maritime, coal and timber industries and an increasing number of strikes in other sectors. According to Cochrane these were largely defensive actions directed against the mobilisation and use of scab labour, retrenchments and the intensification of labour discipline. From 1925 to 1928 the Bruce government introduced a series of legislative measures aimed at curbing union militancy. The government attempted to put in place new wage-fixing principles through the Conciliation and Arbitration Bill, introduced in 1927. This endeavoured to bring wage decisions under tighter government control and explicitly demanded that productivity and profit be put first in all decisions. Other legislation empowered the government to deport migrants who proved troublesome in industrial relations, to break strikes in the shipping industry through the introduction of British and foreign shipping, to license waterside workers and encourage the growth of associations of men who were willing to carry on work during a strike, to declare revolutionary and seditious associations unlawful and to impose heavy penal provisions and other sanctions on any union which

\textsuperscript{21} Cochrane, Industrialization and Dependence. p. 110.
employed direct action in preference to arbitration. However this repressive legislation did not prevent strikes in Australia from becoming more frequent and damaging after 1985. Arising from this failure the federal government legislated in the 1989 Maritime Industries Bill to completely vacate the field of Conciliation and Arbitration and leave this domain to the states. This would eliminate the dual State/Commonwealth system which the trade unions had exploited with some success. If, as occurred at E.Z, a trade union had found a state award unsatisfactory it could extend a dispute beyond the boundary of one state and have the case heard in the Federal Court. In line with the federal Coalition belief that wages were too high, hours too short and productivity too low, it also sought to limit the mandate of state arbitrators to wages and hours, thus leaving a considerable range of costs and conditions in the hands of employers themselves for negotiation. As well it believed the states had the punitive forces that could enforce any decisions that were made. Although some Nationalists were willing to side with Country Party members in taking this radical step, there was a solid core of resistance from manufacturers who were not prepared to fight the torrid industrial encounters that

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22 Cochrane, Dissident Capitalists. p. 127-128.
would have ensued. As Rowse states, manufacturers were all for an assault on wage levels, but not for the abolition of the legislative apparatus which had established some measure of industrial accord. Bruce's legislation foundered and he was forced to an election. Small manufacturers deserted the Bruce government in their droves and voted Labor, bringing in the Scullin Labor government.

Whilst it would appear on the surface that the Commonwealth was attempting to shed responsibilities to the States, the long-term trend was in the other direction. Under the Bruce-Page government a number of important government agencies, such as the Development and Migration Commission in 1926 and the Loans Council in 1927, were created. These agencies were endowed with considerable investigatory and co-ordinating powers over the economic direction of the states. In broad terms their effect was considerable. In most cases they were headed by prominent businessmen or public servants, and effectively operated as a stable long term conservative administration since as statutory authorities they were insulated from the dictates of the federal government and could act as a protective measure against a reforming federal Labor government. The Development and Migration

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Commission was headed by Herbert Gepp, who had been General Manager at E.Z. The Commission emerged from the Government's belief that economic problems throughout the economy were interrelated and their resolution into stable growth required a 'scientific' approach to planning. It aimed at synthesising knowledge and experience into a programme for the harmonious growth in all sectors. The prominence of technocrats, such as Gepp, and employers on the boards and commissions is evidence, Cochrane believes, of the rise of the industrial ruling class in the 1920's.\textsuperscript{24}

With the economic crisis of 1929 the whole emphasis of politics changed. Systematic economic planning disappeared and was replaced by measures intent on salvaging the short term outlook. With the election of the Scullin government and the economic crisis the focus for bourgeois mobilisation shifted. During the Bruce-Page period the focal point had been the wages system and the search for industrial peace but with the advent of the depression in 1929 the main issue became monetary management and sound finance in government. Under the Scullin government the backbone of labour was broken. A general unemployment rate of 20% and two lockouts and one strike had caused the defeat and financial bankruptcy of the maritime, coal and timber unions and had a

\textsuperscript{24} Cochrane, Dissident Capitalists. p. 130.
demoralising effect on other unions. Whilst the image of a threatening and disruptive working class partly receded, those associated with management of the monetary system moved into the spotlight. A restriction of capital inflow and the drop in export prices caused an unprecedented balance of payments crisis. The Scullin ministry erected a high tariff wall to lower imports and redress the balance of payments situation, to reduce unemployment by fostering local industry and to raise alternative revenue from Customs whilst revenue from income taxation continued to decline. The security brought by the British contract and wartime circumstances had made it initially feasible for Collins House to venture into zinc smelting at E.Z with the view to exporting the majority of the output, but when the export markets contracted the expansion of the Australian manufacturing sector and the tariff wall enabled made it easier for E.Z to dispose of its output locally. The expansion of other parts of the economy, such as the iron and steel products sector lead to increasing sales of zinc which was put to uses such as galvanising. As Cochrane notes: 'The Tariff Board tended to give high priority to the direct and indirect influence of the base metals industries on the level of employment and was not overly concerned with the exploitative effects of monopoly when the industry in question appeared to be

operating on an efficient basis. In 1932 the duty on imported zinc was raised to ensure that E.Z captured the entire local market. The Tariff Board took into account the contribution of the enterprise to the Australian economy and its need to avoid expenses associated with the accumulation and disposal of stocks in such difficult times. In other words it acted to ameliorate E.Z's realisation problems abroad. The rise in local consumption of zinc from E.Z was spectacular. In 1923 the Australian market consumed 20% of E.Z's output rising to 33% in 1927. The depression caused a decline in usage, but by 1933 old levels had been exceeded with the Commonwealth absorbing 40% of locally produced zinc. By late 1935 slightly over 50% of E.Z's output was sold for use in the Commonwealth, falling to 40% in 1936 and rising to again reach 50% in 1937. Overall the British zinc contract and the efficiency of the electrolytic process meant that even when zinc prices declined, as they did between 1925 and 1927 due to severely contracting markets abroad and unprecedented over production, Collins House continued to make good profits. By 1930 E.Z was in a solid position. It had, with the help of the Commonwealth government, secured a contract that guaranteed the price of its export product, the tariff enabled it sell an increasing amount of zinc to

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27 Ibid., p. 96.
the protected local market, its directors held influential positions in the Nationalist Party, and its labour force had been subdued through its welfare schemes and the state Wages Boards. These happenings were not random events but were linked to a common set of beliefs. We must therefore examine the change in ideology that took place and enabled all of these apparently disparate pieces to fall into place.

As we have seen the years between the end of the First World War and 1930 were marked by a restive working class and the emergence of new Australian based manufacturing industries as a power base. The war had encouraged and given a measure of natural protection to manufacturers and encouraged links between government and manufacturers. Government recognised the importance of manufacturing by coopting businessmen such as Gepp onto planning bodies such as the Development and Migration Commission, encouraging it through measures such as the tariff, and by frequently dealing with labour unrest by integrating the workers, as Connell and Irving term the use of measures such as arbitration and welfare, or less frequently confronting the workers through state organisations such as the police. The new manufacturing industries, such as Cadbury and E.Z were highly mechanised, run by a new style of manager or 'technocrat' such as Herbert Gepp, and were concerned with efficiency
whether it be mechanical or labour. They espoused a new type of ideology, which Rowse terms the New Liberalism, and equated this new type of corporate liberalism with labour efficiency and cooperation.

According to Rowse the dominant ideology within Australia has been liberalism. This ideology offers that society is an ensemble of atomistic individuals and the state’s actions are taken to be a pursuit of the ‘collective interest’ of that social ensemble, and are therefore taken to be value free and not acting to benefit any particular section of that society. Any individual’s membership of any social group or class is regarded as secondary to his or her membership of the total society. The individual owes his or her first allegiance to the state rather than to any social group within society, and must possess a basic outlook and values that are consistent with the collective social purpose, whatever that may be, if society is to continue.28 The manipulation of this basic ideology into what Rowse terms the ‘New Liberalism’ was the means through which many Australian manufacturing companies, such as E.Z and Cadbury, through the voice of their managers came to terms with their rise to positions of influence and new power of the workers. It attempted to give some

ideological justification for the steps they were taking to manage their workforce. The New Liberalism was only articulated amongst the larger manufacturers and was not popular amongst other manufacturers, businesses or the working class. But, as Rowse notes, society may still operate with an ideological rationale that bears little resemblance to the day-to-day wishes of the rest of society.²⁹

Rowse argues that a distinguishing factor of the New Liberalism was that it discredited utilitarian liberalism, which attests that material satisfaction was synonymous with the common good. This type of liberalism was behind such reforms as the Harvester Judgement, which supposedly guaranteed the worker a minimum wage that would enable a worker and his family to live as a 'human being in a civilized community' and to keep himself and his family in frugal comfort.³⁰ In its place was substituted idealism, which promoted the common good or social purpose as an end in itself and therefore stressed the development of 'personality' as the high minded reason for reform. It was a view that was based on the assumption that humans seek the 'good' before they seek the 'material' of utilitarian liberalism. The New

²⁹ Rowse, op. cit., p. 40.

Liberals believed that the 'higher' elements in human motivation were being overlooked, and that in their development lay the best hope for an integrated society.\footnote{Rowse, op. cit., p. 42.}

This set of beliefs was taken up by the founders of the Workers' Education Associations (W.E.A). Although the W.E.A foundered in its aim to win the trust of the class conscious working class largely due to its stance in the conscription campaigns of the Great War, it was active in spreading its ostensibly classless social ethic which preached that society had social laws which workers should learn about and apply. The W.E.A believed the free operation of the social process was in the interests of both capitalists and workers. This ethic was personified in the words 'co-operation' and 'efficiency'. This view of social life featured in the American Frederick Taylor's theories of job design and labour management and Australia was not without its theoreticians, namely Bernard Muscio, C.H Northcott and Elton Mayo, in this field that was to be known as industrial psychology. But the structure of industry in Australia with most of its manufacturing taking place in small company, rather than in large plants as in America, and the more militant craft based unions rather than the companies based unions common in America made the ground more barren for such
ideas to take root. The consequence was that the local exponents of efficiency tended to function primarily as disseminators of an abstract ethic, since they were given no opportunity to elaborate and test techniques of efficiency. The opportunity to move from the abstract to the practical was offered and adopted by only a small number of industrialists, and this was in large corporations such as in the Collins House group of companies and by Cadbury-Fry-Pascall.

One exponent of the New Liberalism was Herbert Gepp, who was E.Z.'s general Manager between 1917 and 1926. In his 1919 article *Australia Self Contained* he equated cooperation and efficiency with nationalism. He argued that Australia must be autonomous - a self contained nation - and must not be dependant on other nations for the production of essential items. This goal of a self-contained nation must be accompanied and hastened by a drive for national and individual efficiency. In an argument that tied in well with the actions taken by the Hughes government to promote manufacturing industry, he argued that the formation of new industries was essential to keep the population effectively employed, increase the value of Australia's natural products and aid in defence, repatriation, population and finance. He nominated a large number of factors as being invaluable to the

successful development of new industries such as natural resources, politics, finance, education, organisation, relations between labour, management and capital and recognition by the country of the value of big companies or corporations when properly controlled. This emphasis on the value of large companies or corporations ties in with the then current emergence of large conglomerations such as Collins House and their increasing economic influence. But in terms of the New Liberalism, Gepp's most relevant concepts were:-

a) National Efficiency, in its broadest sense, for the attainment of which health and contentment are essential
b) Maintenance of the Ethical as opposed to the Materialistic Attitude of Mind
c) Development of the Spirit of Industrial Citizenship

Gepp believed that relations between labour, management and capital were poor because 'the employer is totally ignorant of the attitude of mind of the employee, and the employee equally ignorant of the attitude of mind of the employer' and outlined the respective needs of both employees and employers. He thought employees wanted

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'Firstly, health; secondly security of employment ... thirdly insurance against being dragged down to the depths financially if, unfortunately, he should be sick and unable to work; fourthly decent housing conditions; fifthly a fair margin between the cost of living and his income; sixthly, good education and a chance in life for his children; and, seventhly reasonable social and civic rights - all of which, summed up, imply a minimum amount of happiness.'

He believed these objectives could be obtained if the idea of a minimum wage was abandoned and replaced by the idea that there was to be a minimum amount of happiness throughout the community which could be achieved by co-operation. The employers role in the creation of this minimum amount of happiness was, according to Gepp, to take a keen interest in the lives of all their employees, develop a spirit of industrial and civic citizenship, inaugurate cooperative councils which would reduce the cost of living and educate the workers in economics which presumably would allow the workers to see the economic case behind management's actions.

These ideas were put into practice and personified in the welfare schemes at E.Z. The only way, according to Gepp, to successfully meet the future was to ensure that the will to do good work spreads throughout

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35 Ibid.
the whole community. It was only by these means that an ethical, as opposed to a materialistic, mind could be maintained as this would be the impetus 'to assist in building up the great State wherein there is clear recognition of the right of all citizens to happiness and contentment."

In the same year the Joseph Fisher Lecture in Commerce was given at the University of Adelaide by Gerald Mussen, industrial relations expert for Broken Hill Associated Smelters who frequently visited E.Z and dispensed advice on industrial and welfare matters. Mussen, who was later to become a director of BHAS' Associated Pulp and Paper Mills, choose as the subject of his lecture *The Humanizing of Industry and Commerce* which succinctly captures the spirit of the New Liberalism. Mussen stated that his concern was with 'the existing conditions of the lives of our people, not what brought those conditions about.' The condition that particularly troubled him was that although Australia was seemingly prosperous, this prosperity was accompanied by widespread industrial unrest and the greatest number of strikes Australia had ever known. Mussen’s interpretation of the reason behind this industrial unrest was that 'we have become the slaves of money', that is the material had triumphed over the moral. There was a feeling of being in an era of

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36 Ibid., p. 225.
great change, in which Mussen believed it was the responsibility of men like himself to create a moral and ethical society. Prior to the Great War 'The object of life was profit .... We knew that suffering and misery stalked among us, but as long as we individually escaped we did not really care .... The higher side and purpose of life were forgotten.' However the blood spilt by Australian soldiers in the Great War shifted, Mussen believed, the responsibility to find 'the causes of unhappiness and discontent in our midst, and fearlessly to advocate remedies, so that the way may be prepared for a greater and fuller national life. Change is in the air.' The key lay in the 'Gospel of Happiness.', which was defined as the right of every citizen to live a life of happiness. Echoing Gepp, Mussen defined the object of life as happiness not money. In the past, he believed, there had been attempts to legislate to bring about ideal conditions but these had been misguided as they had focused on money, and had hindered actual money making attempts. It is likely Mussen was referring to the Harvester Judgement which introduced a minimum wage for the male wage earner. The community needed, according to Mussen, health, proper education and a good home. He attributed the recent industrial unrest as the working class' request for a share of the happiness. But as the

demand had been stated in the form of a monetary demand, it had been refused and strikes had occurred.\textsuperscript{38} Mussen was adamant that even with more money the individual could not buy the conditions necessary to his happiness, an opinion that was unlikely to have been shared by many of the working class.

The conditions for happiness he outlined were personified in E.Z’s welfare schemes. Health, which was justified on humane and productive grounds, was covered by a works doctor and associated medical schemes. Education was seen as necessary for without it the individuals usefulness to the community was limited and he was added to the discontented, unhappy and inefficient section of the community. This was catered for at E.Z by apprenticeship, technical and extension classes. E.Z’s planned model industrial village put into practice his ideal of decent town conditions with adequate facilities, such as parks and would have put paid to his fear that slums, tenements, overcrowded and insanitary homes, and exorbitant rents resulted in the loss of health and happiness and destroyed individual efficiency.

The consequence of changes such as these, said Mussen, would be to give birth to a new sense of civic pride. The reconstruction of Australia could only happen if there

\textsuperscript{38} Ibid., p. 13.
was increased production which could be achieved by greater efficiency. True efficiency, and high production would occur under central direction and by providing conditions of life which would ensure that every person commenced their daily work physically and mentally prepared. This preparation, he thought, would come as a consequence of changing the worker’s point of view, and for this to happen the worker’s must be treated fairly and be healthy, educated, adequately housed in decent town conditions. Mussen gave a lengthy outline on the efforts being made at Port Pirie to put these ideal conditions in place. Even though the worker’s point of view might be changed, this did not mean that their role in industry would be expanded or changed in any way. Mussen took it for granted that the management structure of industry would remain the same and was adamant that workers were not capable of running industry as they did not have the ability or the training. ‘If you are to get high production you must have organization; if you are to have organization you must have discipline. The idea that an industry could be run by a committee of workmen is absurd.’ Furthermore he explained that as citizens, which obviously included the workers, controlled Parliament which in turn controlled industry it was unnecessary to set up any form of industrial control by employees. Mussen concluded by equating cooperation and

38 Ibid., p. 81.
efficiency with a type of classless nationalism. 'As we all have to work it is better for us to co-operate; combined effort under efficient organization gives the greatest results for all....We are all members of the one big union—the great Australian union.'

As a Quaker firm, Cadbury came from an entirely different philosophical background to E.Z yet there are a large number of similar beliefs between the two firms, and the imposition of these beliefs had similar consequences at each factory. The Cadbury family believed, as Quakers, that there was the 'light of Christ' and 'God in every man' but intuitive good could not be released when a man lived in poverty and squalid living conditions. In the 1870’s Cadbury built a model village at Bournville, England, in the belief it would enable their workers to find God in themselves. The Cadburys noted that welfare was also good business as well housed and healthy workers were more efficient and docile. Cadbury believed there was a common will toward industry and that the if the good in each man was allowed expression then employer and employee would be united. Cadbury was concerned that the conditions in industry were demoralising and causing resentment among workers, and believed that industrial conflict would only disappear when employers changed the conditions within industry and there was cooperation.

40 Ibid., p. 32.
between employer and employee.

Edward Cadbury in his 1913 article *Some Principles of Industrial Organisation* examined the claim that Taylors Scientific Management made it possible to find the best man, make him produce the best possible work as to quantity and quality, and at the same time improve the wages, health and morals of the worker. Cadbury believed that scientific management was not as beneficial as its advocates had declared and that it needed to be tempered. There was, he thought, serious deficiencies in the evidence associated with scientific management, especially in the realms of the 'task idea'. According to Taylor the most prominent single element in modern scientific management was the task idea, whereby the task of every workman is planned out and he usually receives written instructions describing in the minutest detail the work he is to accomplish and the means to be used to this end. It was, Cadbury believed, 'doubtful if the efficiency engineers have adequately faced the cost to the individual and the effect on society of their extremely clever system.‘41 He noted that the essence of the system was the concentration of attention upon limited and intensive tasks, and concluded that the result of such minute sub-division of work must be monotony and greater nervous strain as they were not

41 Ibid., p. 4.
dealing with inanimate things but with men and women with all their physiological and psychological needs and possibilities as well as prejudices and social sympathies.\textsuperscript{42}

The most important question, he believed, was the effect of the task idea upon the personality and character of the worker. Under the task process the splitting of processes was so minute and the work so monotonous and depressing that the workers suffered a narrowing of interest. The monotony of work, when combined with 'the low standard of comfort and order among the unskilled workers, their lack of discrimination in literature, their want of foresight and thrift' made them even more liable to be swayed by rant and rhetoric. Cadbury concluded that whilst there was waste in the present methods, the reduction of the worker to a living tool must in the long run either demoralise the workman or more likely produce great resentment and result in serious differences between masters and men. He believed that the present industrial unrest was not a mere demand for higher wages and shorter hours but an indication of increasing knowledge on the part of the worker of his lack of control of the conditions of his own life. 'Our whole scheme of social, industrial and political life rests on the idea and practice that management and

\textsuperscript{42} Ibid., p. 3.
control are in the hands of the middle classes and the rich.' 43 He acknowledged that the controlling positions in society were barred to the workers and came to the conclusion that the growth of the Labor Party, trade unionism and syndicalism, were expressions of the workers demand to control his own life and consequently there had already been strikes resisting the introduction of scientific management into factories. Unlike the exponents of scientific management, who believed that the extra wages workers could earn under their schemes would cut the ground from under trade unionism, Cadbury believed that drawing the worker from his trade union would arouse fierce hostility. He thought that business efficiency and the welfare of the employees were but different sides of the same problem. His test of factory organisation was the extent to which it created and fostered the atmosphere and spirit of cooperation and goodwill without in any way lessening the loyalty of the worker to his own class and its organisations. The worker, he believed, had the right to be considered one who can play his part as an intelligent and capable citizen. He warned employers that 'the time for study and experiment, I maintain, is now, before the problem becomes acute.' 44 Thus Cadbury believed that new work

43 Ibid., p. 7.
44 Ibid., p. 8-9.
methods within the factory, poor living conditions and a lack of morality had caused the working class to become restive. He believed that the workers were not so much concerned with a greater share of society's wealth but with greater control over their working lives. Factories had to be organised in a manner that promoted cooperation and goodwill.

Norman Booth, the chairman of directors at Cadbury-Fry-Pascall at Claremont continued Edward Cadbury's theme in his talk on 'The Human Factor in Industry' in 1926. Echoing Gepp and Mussen he believed that although there had been great material and technological progress over the last 150 years, this record of achievement was spoilt by the fact that 'the relationship of man and man are strained, opposed and unbrotherly.' Employers did not care for their employees and employees had no concern for the welfare of the business that engaged their labour and yet there was, he believed, a common interest. 'We are presented with the abnormal spectacle of two forces harnessed together, each vitally essential to the other, and yet carrying on that almost amounts to warfare ....' Happiness, for Booth lay in the Quaker concept of service to one's fellows, and 'every normal man and woman is interested in co-operating with everybody else to make the world better, and it only needs the end of suspicion
and the establishment of goodwill to open the floodgates of this innate force.' 45 Thus there existed in every man an innate tendency towards 'good' and all that was needed to unleash this force was a change in industrial organisation. He believed, like Cadbury, that part of the worker's resentment was at being thought of as merely part of the operative plant when in fact he should be considered a conscious reproductive agent. If capital and labour were to regard each other as honorable and well disposed then sacrifices had to be made. The employer's sacrifices were to be in the form of concrete items, which in the Cadbury's took the form of welfare schemes, whereas the employees sacrifices were to be moral changes. Whilst not couched in these terms the hoped for result would be a workforce that did not make what the employer would term unreasonable demands. The employers obligations were to provide a sufficient wage, to share any surplus after all contingencies had being met, provide conditions of labour calculated to secure the health and comfort of the workers, and provide a means for the lodgement and ventilation of grievances. The employees obligations were a 'willing return in labour service to his full ability, honestly sustained, due observance of all reasonable rules and harmonious co-operation, ambition to excel and raise the standard of

the industry, willingness to seek a fair and ? to any questions in dispute, and integrity and personal responsibility.' Booth believed that Cadbury's at Bournville had successfully embodied these elements into practice, and concluded that the whole undertaking rested 'on a basis of goodwill and mutual understanding, which, while it could not eliminate the selfish element wholly, did at least keep it in subjection, and give the higher impulses, always latent and ready for response, a fair opportunity for development.' He concluded that 'The human factor in industry demands more stress on the adjective 'human,' and even in the prosaic walks of our every-day and all too a materialistic world it is time that we had a little more sense of 'vision' and a realisation that we have in us to develop in industry, not only the human but also the divine.'46 Whilst emphasis may have been placed on forging a place for the divine in industry, the creation of heaven in industry was compatible with the creation of profits in industry.

Within this chapter there have been a number of concepts outlined. We have seen how the rise of labour introduced a real sense of uneasiness in middle Australia, and how this uneasiness was translated by governments into repressive anti-labour measures. This coincided with the rise of large-scale manufacturing interests as an

46 Ibid., p. 18.
influential economic and political force. Reflecting this
groups new found status and confidence was their belief
in the failure of the state to harness the power of the
working class, and their call, through the New
Liberalism, to fellow industrialists to take the
initiative. The consequences of all these factors upon
the working class can be gauged by examining the
operation of welfare schemes and industrial cooperation
at Electrolytic Zinc and Cadbury-Fry-Pascall at Hobart
Tasmania in the inter-war years from 1918 to 1940.

Nevertheless he conceded that in any wages system there
must be some element of driving, and the interests of
employer and employee are never identical. But, he
postulated, there was some identity of interest and by
the recognition of the worker's point of view and by
taking human nature into account this identity of
interest could be emphasised with the result that the
goodwill and efficiency of the employees could be
fostered. It was a question of inducing the workers to
take a positive interest in the welfare of the business,
and making them feel that their work and their
personality counted. This attitude of mind on the part of
the employee showed itself at once, he postulated, in the
elimination of avoidable waste and other ways of reducing
cost of output. He believed that the identification of the workers with the firm was an outcome of the educational training and higher standard of life as achieved by the workers at Cadburys.47

In this chapter we have examined the economic and political context in Australia between the First World War and 1930. The First World war had made the government conscious of Australia's dependence on imports of vital metals, such as zinc, and caused it to support the establishment of new manufacturing industries such as E.Z that would make Australia, as Gepp termed it, self-contained. The government rendered assistance to manufacturers and industry in general in a number of ways. One of these ways was through labour control where it could attempt to integrate labour through the Arbitration system and by giving concessions such as a shorter working week, or confronting them through state organisation such as the police. The Collins House group had especially strong links with government through the National Union of the Nationalist Party and benefitted directly through Prime Minister Hughes assistance in securing the British zinc contract. The manufacturers recognised their increasing importance to the Australian economy and equated their own self interest with a type of economic nationalism. This is apparent in the writing

of Gapp and Mussen where, through a type of corporate liberalism, they link individual efficiency and cooperation with progress as a nation. A supposed lack of efficiency and working class unrest was taken as being largely due to the worker's dissatisfaction with his environment whether it be in the factory or at home. They felt it was their responsibility to step in where the government had failed and to cooperate with the workers to end labour unrest and increase worker efficiency by reforming the workers environment through model industrial villages and welfare schemes.
CHAPTER 8.

WELFARE AT ELECTROLYTIC ZINC.

In the years after the First World War the provision of company welfare schemes was, according to Hay, limited to a small number of companies. There was a great amount of variation in the amount of coverage offered by companies and the schemes mostly centered around pensions, death benefits and disability allowances. The vast majority of companies, however, were anti-welfare and viewed labour simply as a factor and cost in production. E.Z was an unusual company in that it had welfare schemes and because of the expansive nature of its welfare schemes. This chapter aims to examine the scale and composition of E.Z's welfare schemes; the reasons the Company gave for establishing welfare schemes; the benefits it hoped to extract from such schemes; worker acceptance of the schemes and the relationship of E.Z's welfare schemes to corporate liberalism.

The establishment of Electrolytic Zinc of Australia Pty. Ltd (E.Z.) at Risdon, Hobart, was brought about by a number of factors namely the decline of Britain as an economic force, government encouragement of manufacturing industries, the favourable orientation of most federal

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governments towards tariffs that favoured manufacturing interests. The political and economic climate was suitable, a vast amount of tailings was available from Broken Hill, and the development of the new electrolytic smelting process meant that the material and technology was available to enable the Collins House group to produce zinc economically. All that was needed was a place to produce it. Tasmania was able to generate copious amounts of cheap hydro electric power which Collins House was determined to procure and utilise for some purpose. Indeed in 1916 W.S. Robinson urged Collins House to 'contract for all the Tasmanian Government's hydro electric power - if we can't produce zinc with it we'll certainly be able to use it profitably for something else.'\(^2\) The placement of the E.Z. factory in Tasmania was decided when Collins House director, W.S Robinson, declared 'In my opinion Electrolytic Zinc is a cinch.'\(^3\)

Under the chairmanship of the Hon. William Lawrence Baillieu as head of the Collins House Group, the E.Z. Company was incorporated in Victoria in 1916. Under the watchful eye of the first General Manager Herbert Gepp, construction of the E.Z. works began at Risdon in Hobart


in 1916 on Crown Land leased from the State Government, and with electricity supplied by the Hydro Electric Department at the very favourable rate of £2 per horsepower. When it was established E.Z. was a technological leader in the electrolytic process, and therefore more efficient than other zinc smelters. The ore processed at E.Z. came from Broken Hill, although in the late 1920's E.Z. took over the Mount Read and Rosebury mines, formerly owned by the Mount Lyall Mining and Railway Company, to ensure a source of supply in the absence of Broken Hill ores. In 1922 E.Z. further expanded by building a fertiliser plant at Risdon to supply the needs of Tasmanian farmers.⁴

Herbert Gepp was well credentialed for the position of General Manager. He entered the mining world in 1906 when he began work for the Zinc Corporation at Broken Hill, and in 1907 joined the W.L Baillieu-Collins House organisation Amalgamated Zinc, where he learnt the zinc flotation process,⁵ and took an active interest in welfare problems. After a visit to the Krupp works at Essen, Germany, in 1911-12 where he keenly observed that

⁴ Cochrane, op. cit., p 81.

company's welfare schemes. Gepp initiated the Broken Hill Progress Association. In spite of union opposition and the apathy of the company board, the Association built some playgrounds, beautified public gardens and arranged a seaside holiday for miner's children. With an obvious background of technical expertise, organisational ability and enthusiasm Gepp was seen as the person who could establish a factory from the bare earth in Hobart that would not only wrest control of zinc production from Germany, but would also earn the Collins House group handsome profits.

The Zinc Works are located five miles from Hobart in what was in 1916 the virtual wilderness of Risdon. It was isolated by open paddocks from the neighbouring suburbs of Moonah, Glenorchy and New Town, the main source of its workforce. The Zinc Works was, because of economics and technology, a continuously operating plant; that is it worked 24 hours a day. The advantages of the Zinc Works, as a continuously operating plant, having a conveniently located workforce close at hand to deal with emergencies or any other unexpected needs were sufficient for Gepp to obtain permission from Collins House to commence an adjacent housing scheme. If the Works could not be intimately close to the workforce, then Gepp would build

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a village that would bring the workforce intimately close to the Works.

The building of a workers' village had certain other attractions. The initial construction and operation of the factory would require in excess of 1000 workers. There was concern that the poor condition, scarcity and costliness of rental and owner/buyer housing in Hobart would make it difficult for E.Z. to attract a workforce. Housing rentals in Hobart had risen from an average of 18/10 per week in the first quarter of 1918 to 21/3 per week in the first quarter of 1919 - an increase of approximately 8.8%. The average male weekly wage for a Hobart worker in the quarter to 30 September was 60/4. Given the small time lag between the two sets of figures, it appears likely that the average worker would pay approximately a third of his wages in rent.\(^7\) A survey of the E.Z workers in 1920 revealed that, of the married workers, 155 owned their homes, 241 rented their houses and 196 lived in rooms or flats. The family size of the married men were as follows:---\(^8\)

<table>
<thead>
<tr>
<th>Family Size</th>
<th>Incidence</th>
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<tbody>
<tr>
<td>2</td>
<td>111</td>
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<tr>
<td>3</td>
<td>118</td>
</tr>
<tr>
<td>4</td>
<td>111</td>
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\(^7\) E.Z Records, A/3-3, 'C.M Cooper.' A.O.T.

\(^8\) E.Z Records, A/7-2, 'Cost of Living Statistics'. A.O.T.
Having information on average wages, average rental and the accommodation standards of the workers at E.Z., Gepp had the information at his disposal to set the parameters for housing that would fit the worker's needs, in terms of both family size and affordability.

Worker housing had a certain ideological appeal for Gepp who, as a believer in corporate liberalism, believed that decent housing was one of the components of 'the minimum of happiness' that should be available to every worker. If a 'minimum of happiness' could be achieved there would be cooperation between worker and employer and an end to industrial conflict in society. Gepp's enthusiasm and idealism was not always shared by the Collins House directors who believed he would do more good for his workers by producing zinc cheaply 'then by filling them up with hopes of heaven on earth'. The directors believed that the benefits of the workers' labour would

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8 B.H.A.S. Records, Box 1/55/1/2/2, W.S. Robinson to Colin Fraser, 26/9/21. M.U.A.
trickle down to them through the productive system. The directors were broadly amenable to the idea of welfare capitalism. They were, they said, anxious to assist employees in any legitimate welfare scheme, but were concerned that this must not be seen as a bribe to keep down wages. Any scheme had to be seen by the workers as a privilege, not a right.10

In 1918 the company bought eleven and a half acres at Risdon from Charles Large. This was soon to become the site of the Lutana village. Further land, which became known as the Orpwood estate, was purchased in 1919 on the high side of Bowen Road, just above Large's estate.11 An agreement was reached with the Glenorchy Council on 15 June 1920 that E.Z. would build about 60 houses on Large's estate for the accommodation of its employees. E.Z. was to supply the water, road, gutters and septic system and would later be reimbursed for the cost by the Council.12 Orpwood's estate would remain undeveloped in the short term.

10 B.H.A.S. Records, Colin Fraser Papers, Box 1/33/8. Notes by Hon George Swinburne on visit of Colin Fraser and himself to Risdon 1/2/23 to 6/2/23. M.U.A.


12 E.Z Records, A/1-1, File Butler, Macintyre and Butler. A.O.T.
In 1919 the eminent Melbourne architect Walter Butler was hired to facilitate the planning of the village. Butler (1864-1949) did much work for the wealthy businessmen and pastoralists of Victoria and New South Wales. He was trained in England and was associated with the Arts and Crafts and domestic revival circles centered on William Morris and Norman Shaw, before he migrated to Australia in 1889. Like Shaw, Butler strove not so much to create a style but to create an atmosphere\textsuperscript{13}, which is evident in his ideas and designs for Lutana. When he arrived in Australia Butler was familiar with the current overseas fashions in landscaping. He was to become an active figure in this area and developed into Australia's main spokesman for the formal garden. Although his gardens were mostly designed for large houses, he believed that the formal garden was well suited to the smaller garden: 'some of the most delightful; effects are produced in the cottage garden and a garden of the moderate dimensions that are possible on an average-sized suburban site may be of the most delightful interest'. Indeed Butler appears to have placed almost as much weight on the design of a house's surrounds as on the houses themselves at Lutana. Butler was not a mere copyist of the English style and like some other architects felt he was engaged

\textsuperscript{13} Fraser and Joyce, \textit{The Federation House}, (Sydney: 1987), p. 111.
in the search for a distinctive Australian architecture and landscaping. He saw Australians as wanting to escape the primeval nature of the continent and centered his landscaping around exotic plants.\textsuperscript{14}

Butler was instructed to prepare a scheme and submit designs for a number of types of houses which would be suitable for a garden settlement and at the same time be economical in construction. A report by Butler emphasised that the distance between the works and the existing dwellings was a serious hinderance and that prompt attention to the problem would go far to producing greater efficiency. He believed that the land purchased, although hilly, was picturesque and healthy and was capable of carrying 200 houses. The cheapest way of creating the village was to plan the entire scheme and construct as large a number of houses at the same time as possible. He believed the houses should be sound, substantial and comfortable and, whilst endorsing the idea of the employees having the fullest opportunity to express their views upon the type of houses to be built, he thought the modern type should be adopted.\textsuperscript{15} In keeping with his interest in landscaping, Butler believed it was desirable for the settlement to have a varied

\textsuperscript{14} Ibid., p. 72.

\textsuperscript{15} E.Z. Records, A/1-1, Precis of Housing Scheme by Mr W.R Butler. A.O.T.
appearance and outlined how this could be achieved by allowing the levels and contour of the land to determine to some extent the line of the streets, varying the plan of the houses and constructing each house of different materials. He proposed that the design of the houses should vary on each side of the street, and that there should be a mixture of single and double storey, detached and semi-detached houses. The advantage of the two storey houses, according to Butler, was that they left more land for the garden, making more comfortable dwellings that cost less to erect. The semi-detached house saved an even greater amount of ground, and was the cheapest form of dwelling. He thought it be desirable to have some mechanism in place that would prevent employees from selling their houses. Otherwise, he warned, the company may eventually find itself in the situation of having built a large number of houses that would now be owned by other than zinc workers, whilst the zinc workers were living in other peoples rented houses as they had been at the start. Lastly he recommended that a few houses should be erected to gain an indication of their cost prior to fixing the price for sale.16

Butler considered that the purchase of houses would not appeal to the majority of workers unless the payments

were over comparatively short terms and payments exceeded rents by only a small amount. The Co-operative Council’s Housing Sub-Committee stressed that 15/- was the ‘maximum payment that could be met by the average workman’, but company calculations had shown that it was impossible to build lasting houses and cover the capital and interest for this amount. The only other alternative to selling would be to build houses that would be available for rental but would have inducements to purchase. E.Z. thought this scheme could be very much appreciated by the workers, and that the number of houses held by the company could be gradually reduced. However a scheme could only be made attractive by making an annual grant or subsidy that would enable the 200 houses to be purchased or rented at 3/9 per week less than cost. It was, Butler believed, fair to assume that the scheme would help to make the men content. He calculated that if the Company benefitted from better labour to the extent of 3d. per day it would wipe out the loss of endowing the scheme with £1950 per annum.\footnote{17 E.Z. Records, A/3-3, File Cooperative Council Housing Sub-Committee’s Recommendations, 26/3/19. A.O.T.}

On the basis of Butler’s report, Gepp recommended to Collins House that 200 houses be constructed upon the land E.Z. had acquired for that purpose as ‘scarcity.\footnote{18 E.Z. Records, A/1-1, Precis of Report on Housing Scheme by Mr W.R Butler. A.O.T.}
poor quality and inaccessibility from the Works of suitable homes render the creation of a settlement an urgent matter in the interests of security, efficiency and the contentment of the Company's labour supply.' He believed that with 200 company homes, an anticipated War Service Homes Settlement, and the other buildings that would spring up rents would be kept reasonable and the employees would be housed. The houses could be either rented or purchased with care being taken to ensure that the lower paid men were allotted a large share of the houses. The exact payment details were to be worked out at a later date. Gepp was conscious that, even if the company could obtain money at 5 1/2% interest, the lower paid employees would not be able to purchase nor pay reasonable rent for the houses. The scheme would have to be endowed by the Company. Aware of the Work's isolation from the facilities and housing of greater Hobart, Gepp recommended that the trains and tramway be extended to the works to make Hobart houses available to the workers, and make the Hobart shops accessible to the families of those workers already living at Risdon. This service was soon established with E.Z. heavily subsidising 80% of the cost of the worker's fares. The total cost to E.Z. was to be £163,000 for the Lutana houses, £10,000 for initial non-interest bearing expenditure, £2,565 per annum lost interest on the housing expenditure, £2,565 per annum interest on the tramway extension and £2,500 per annum
for the fare subsidy on the trains. In a later report Gepp recommended that the houses should be made available for rental or purchase. It was recommended that the rental charge be set at 4.5% of total cost with an extra allowance for rates etc. This would enable a worker to rent a five roomed house costing £575 would be rented at 14/2d. per week.

In October 1919, with the scheme's sewerage and road construction were underway, Butler suggested that this aspect of the design could be left to E.Z.'s Hobart staff, leaving him free to concentrate on the houses, gardens, enclosures and the planting and decorating of the reserves. He reported that he was making a number of new plans varying the designs of the houses to the differing blocks. He believed that for the scheme to be harmonious, and therefore successful, it must be designed as a complete entity. He envisaged appointing his own representative in Hobart and visiting the scheme personally every two months. There appears to have been a belief that Butler's designs were not always economical, and a meeting of Collins House management in September 1919 decided it was unnecessary to retain his

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19 E.Z. Records, A/1-1, Butler & Warlow-Davies to Collins House, 19/8/19. A.O.T.

20 E.Z. Records, A/1-1 Butler and Warlow-Davies to Collins House. 19/8/19. A.O.T.

21 E.Z. Records, A/1-1, Butler to Gepp, 27/10/19. A.O.T.
At Gepp's suggestion another Melbourne architect, A.G. Stephenson, was contracted to complete the Lutana scheme, and instructed to do what he could in reducing costs by modifications of design and the elimination of 'frill'. He was requested to inquire into the erection of flats and to examine the feasibility of erecting cheaper and more simply designed four bedroom houses for Orpwood's estate.

The requirement for economy led to an alteration of the original concept. Stephenson's purpose was not to plan a garden suburb, but to provide houses on Orpwood's estate for 60 families in the shortest possible time and for as little over £450 as possible. Under such circumstances the only type of house that could be completed for such a cost would be to erect extremely basic houses that represented the 'minimum of size and number of rooms that a married man with a very small family could live in with any comfort'. Stephenson believed it was questionable whether the type of tradesman E.Z. wished to employ would live in such houses. In Stephenson's eyes there was an obvious link between housing and a worker's worth. If the right type of housing was erected then the 'right' type

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22 E.Z. Records, A/2-1, Minutes of General Staff Meetings Melbourne. A.O.T.

23 E.Z. Records, A/2-2, Gepp to Major J.S. Teulon, 2/12/20. A.O.T.

24 Burrows, op. cit., p. 50.
of worker would be attracted but if the wrong type of housing was erected then obviously the 'wrong' type of worker would be attracted. Although the qualities that made a 'right' or 'wrong' type of worker are not elaborated, the relationship between housing and type of tradesman E.Z. wished to employ was couched in moral terms rather than in terms of technical competence, that is the 'right' type of housing would attract the morally 'right' worker but could not be guaranteed to attract a technically competent worker.

Stephenson thought that to have two different standards of housing in the village would 'certainly bring severe criticism and discontent between the occupants'. A further factor he thought would mitigate against such a scheme was that it would be unlikely public opinion and the municipal councils would allow a great number of such houses to be built. These matters, and the fact these houses would only cater for a limited number of the men E.Z. proposed to employ, led Stephenson to declare the scheme to build 60 cheap houses would not pay from any point of view.

Stephenson believed the Company must decide whether it wished to spend more money per house and erect sound houses on Orpwood's estate, or to erect cheaper houses on flat land closer to Moonah, the train and tram, yet
within 15 minutes walk of the Works. These houses would be small and cheap and could be occupied by labourers working on the construction of the factory. Their cheaper construction and convenient location would enable them to be rented at 19/6 per week, or less with a Company subsidy. Once these houses had fulfilled their usefulness they could be sold with the profits put into developing Orpwood's scheme on the high side of Bowen Road. The workmen the Company wished to retain could then move into the village.

Stephenson recommended to the Company that, as it had spent so much time and effort on the housing scheme at Orpwood's, the best course was to continue with this scheme although it would be more expensive than the Moonah scheme and would take longer to complete. The advantage of Orpwood's scheme was that 'the happy housing conditions there will bring more quickly than anything else the benefits which the industry needs'. By implication it would not suffer from the disadvantage of the proposed scheme at Moonah in terms of not being an integral part of the Works and feeling a sense of isolation. Echoing Mussen's and Gepp's words he reflected on the effect this would have on the worker's efficiency. 'This Esprit de Corps would be lacking-the spirit of community life centered on one object would not be there. No encouragement would be given to that communal interest
focussed in one spot which is so potent a factor in obtaining maximum efficiency. This, after all, is the ultimate aim. Communal life, common interests and healthy conditions, have been proved to be the greatest factors in bringing about industrial rest and spirit of co-operation between the workman and master and vice versa.²⁵

The aim of housing workers was not merely to entice workers into the Company’s employ, but to bond them to the company. Once in a company home the Company had control over the worker’s working and social life, which Stephenson couched in terms of communal life and common interests, and its domination over those workers was complete. Within such an atmosphere it was difficult for the workers to be presented with anything other than the Company’s perspective, and made it difficult for there to be anything other than cooperation and industrial harmony.

The construction of the houses proceeded with 31 houses occupied, 1 vacant, 5 near completion and 7 under construction by early 1981.²⁶ Some of Stephenson’s design modifications had been adopted, resulting in the construction of more austere houses and consequent

²⁵ E.Z. Records, A/5-1, Stephenson to Meredith, 19/7/80. A.O.T.

²⁶ E.Z Records, A/7-1, Meredith to Warden of Glenorchy, 8/1/81. A.O.T.
savings to the Company.²⁷ In spite of all the planning and construction work the housing shortage remained acute causing Gepp to commission Gerald Mussen, industrial consultant to Collins House, to examine temporary housing schemes that could accommodate the large number of workmen E.Z. believed they would need during the factory construction. The construction of any more houses in excess of those already planned was hampered because of increases in original building cost estimations. This had been caused by wage rises and an escalation in the cost of building materials.²⁸ In January 1980 £52,500 had been allocated to cover expenditure at both Large's and Orpwood’s estates, but by January 1981 a total of £55,297 had been expended.²⁹

Gepp was uncertain of the direction and priority that should be allocated to the building scheme. On the one hand economic conditions were unsettled and actual construction of the factory was seen as more vital, but Gepp was sensitive to the ‘desirability from the Company’s point of view, whether work should be left unfinished’ in the housing scheme and thought that when

²⁷ E.Z. Records, A/2-2, Gepp to Major Taulon, 2/12/80. A.O.T.

²⁸ E.Z. Records, A/2-2, Gepp to Major Taulon, 2/12/80. A.O.T.

²⁹ E.Z. Records, A/7-1, Memo Assistant General Manager, 16/3/81. A.O.T.
the main factory was completed the housing scheme could have the full attention of the management and staff. He wanted Major J.S. Teulon to give a complete report on the housing scheme taking into account matters such as financial conditions, supply of houses in Hobart and the desirability of not damaging employee relationships or injuring the Company’s prestige by leaving the housing scheme uncompleted.

In the way of background, Gepp outlined to Teulon how the Company had decided to build good homes for some of the permanent employees, with the idea of making and maintaining the best possible relationships with the employees based on cooperation and understanding. The desirability of this was strengthened by the advantage of having some of the employees, particularly those on shiftwork close to the Works. At a later date, however, the Company had found shift trains could carry a large number of employees to the Works. This had modified the necessity of having a large number of houses close to the Works, but Gepp believed the ’average type of workman’s home in Hobart leaves much to be desired’ and the original conception and purpose of the scheme therefore stood unchanged.

He believed that the effort involved in the housing

30 E.Z. Records, A/2-2, Gepp to Major Teulon, 2/12/20.
scheme 'has been a genuine one ... and it is undoubtedly educational both to the Company and to the men, and it is important that we do nothing which will neutralize this effect which is the best part of one of the biggest assets the Company has, viz, a logical and reasonable touch with all its employees.'

In Australia Self Contained, Gepp had outlined his belief that the workers were 'ignorant of the attitude of mind of the employer' and in this light he viewed the housing scheme as an attempt to educate the workers in management attitudes by giving them a concrete example of the Company's goodwill and concern for employees. The provision of decent employee housing was, to Gepp's way of thinking, a contribution towards the 'minimum amount of happiness' that he was sure would be achieved through cooperation and would result in the development of an ethical personality.

Gepp's uneasiness about economic conditions was vindicated when a downturn in metal prices resulted in the dismissal of approximately 350 workers in early 1981 and caused housing construction to be shelved during 1981. But as those houses that had been commenced were almost completed, the time was deemed ripe for the development of a stronger civic sense among the tenants.

\[^{31}\text{E.Z. Records, A/2-2, Gepp to Major J.S. Teulon, 8/12/80. A.O.T.}\]
Much of the day to day running of the housing scheme had been vested in the Housing Trustees. Eight trustees were appointed by the employee welfare body, the Cooperative Council, consisting of two representatives of the Company and six representatives of the employees. 32 The Housing Trustees proposed that the tenants should establish a General Purpose Committee that would be responsible for overseeing discipline, care of property, communal improvements and the formation of a club for social and recreational purposes. As well within its scope were schemes such as care and cultivation of the orchard, a common chicken run and milk supply, the development of a playing area for the children, rubbish disposal, a small rifle club, and improvement of communications on a cooperative basis. 33 Such a Local Improvement Committee was formed by the residents of Lutana and in May 1981 were about to embark on a tree planting scheme. 34

It would seem that Lutana was developing much as E.Z. desired. After a tour of inspection by a member of the Housing Trustees and an officer of the Company, the secretary of the Cooperative Council, C.R. Baker, was able to report to Gepp 'It was a pleasure to find that

33 E.Z. Records, A/7-1, Hutchin to Gepp, 4/4/81. A.O.T.
34 The World, 10/5/81.
the great majority of houses were well kept and clean inside and that progress in front gardens and kitchen gardens is as well advanced as it is.' But there were two miscreants whose houses did not measure up to the Company's desired standard of cleanliness. They were to be warned and if improvement was not shown evicted.35 While the Company had hoped that the type of housing they had erected would attract the 'right' type of worker, if the worker did not exhibit standards of behaviour that the Company deemed appropriate to the type of housing it had erected then there was no place for that worker in E.Z's model village at Lutana.

In March 1922 Gepp reported to Collins House that once again the housing shortage was becoming acute. Hobart house rentals were rising and a number of staff members were looking for accommodation. At this stage 41 houses had been completed and the foundations of a further 14 houses had been laid.35 E.Z's Industrial Officer, A.W. Hutchin believed that if more houses were built 'we shall add to the number of employees living in the village who are, by that much, more closely identified with the Company and its interests.' He pointed out that C.R Baker, Secretary of the Cooperative Council, and himself

A.O.T.
36 Burrows, op. cit., p. 54.
both lived in the village and had established a very intimate touch with the employees and it was to the advantage of the Company that this nucleus should gradually grow. He thought that the advantages of more workers in the village were twofold. Firstly a feeling of solid commitment to the Company might be developed which, in times of stress, might have a most profound influence. Secondly senior officers of the Company could be housed in the Village and be available in emergencies or serious breakdowns. Hutchin recognised the nullifying effect company housing could have on industrial unrest within a factory. In an isolated, self-contained community such as Lutana and surrounded by the Company management such as Hutchin and Baker who on the one hand strongly identified with the Company and were opposed to the worker’s interests, it is not surprising Hutchin recognised that the worker’s who lived at Lutana would come to identify with the Company. A solid core of such workers could have a decisive and marked influence in the Company’s favour in the event of industrial action. Their allegiance would be to E.Z. rather than their fellow workers and most probably could be relied upon to stay at work and continue production in the event of any such industrial action.

Under the depressed financial situation the Board of Directors believed that circumstances mitigated against the construction of further houses. Gepp insisted and suggested that, instead of five houses being built at Lutana, a community hall and recreation area should be constructed. Gepp was aware of the potentially placating effects of Company housing on the workforce when he stated 'The need for provision of facilities for the development of the social life of the village, removed as it is from the city, is eminently desirable .... and we feel sure that it would afford an opportunity for our industrial officers who live at Lutana to develop the community spirit as we should like to see it developed.'38 The tide from within Collins House appeared to be turning against Gepp and his ideas. Colin Fraser, one of the Collins House directors stated at the time 'My principal job for E.Z. Co is sitting on the cash box and tactfully warding off Gepp's many assaults on it. He is an extraordinary chap in that past experience seems to go for nothing. Nevertheless he is a big asset for all that and I am continually impressing this upon certain of our friends who are sometimes disposed to take the opposite view.'39 The tide swung towards Gepp again when after a visit to Risdon another of the Collins House directors, 

38 E.Z. Records, A/10-4, Gepp to Collins House, 14/10/22. A.D.T.

39 B.H.A.S. Records, Box 1/55/1/2/2, Colin Fraser to W.S. Robinson, 18/12/22. M.U.A.
George Swinburne, recommended that consideration be given to the building of a community hall as there were already 114 children in the settlement and no place for a school or social gathering. After a delay the Collins House directors finally gave their approval in February 1983 for the erection of the community hall, two staff houses and six employee homes. The Education Department opened a kindergarten at the Hall, but after two years decided it could not continue to run the kindergarten inducing a branch of the Hobart Free Kindergarten to open in its place. It was run by a local committee and enrolled approximately 60 children.

In 1982 an employee made a request for E.Z. to establish a profit sharing scheme. The Company felt it could not agree to a profit sharing scheme but instead established a Cooperative Building Fund. In 1983 E.Z. advanced £80,000 at 4% and the Hobart Savings Bank £30,000 at 6% to form the basis of the fund. The fund was to be administered by the Housing Trustees comprising six employee representatives and two Company representatives. Loans to a maximum of £750, were available to men with 3 or more years service and who earned less than £7 per

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40 B.H.A.S. Records, Fraser Papers, Box 1/33/8, Notes by G Swinburne on visit of Colin Fraser and himself to Risdon 1/2/23 to 6/2/23. M.U.A.

week, to purchase or build houses or to lift mortgages. At the suggestion of the Collins House Industrial Consultant, Gerald Mussen, a marks system was devised to further assess an applicants eligibility. A maximum of 100 marks could be gained and were allocated as follows: length of service 33; number of persons dependent 20; general circumstances of applicant, including housing accommodation 15; character of applicant 32.

The then Secretary of the Cooperative Council, C.R Baker, noted that 'Character was a thorny one and placed a heavy responsibility on the trustees and that duty was discharged with very great fairness.' The scheme apparently ran successfully until 1931 when unemployment caused several mortgagees to default. The Directors had verbally promised that the Company would the capital repayments to the original £50,000 pool. In spit of this promise the repayments were paid into the Company's account causing the fund to dry up.42

In 1983 changes were afoot that would alter the original plans for Lutana. The Company's proposal to build some 180 houses which would be let to employee tenants was abandoned. Instead the major portion of the estate was to be made available for sale to employees under the

Cooperative Building Fund. This may have been prompted by the fact that demand for rental houses at Lutana had not met E.Z.'s expectations. The reasons for this were manifold. The proposal to rent a number of the houses for 15/- appears to have been abandoned. Gepp recognised that the houses at Lutana were 'rather too expensive for a large number of employees.' with rents ranging between 22/6 for a 4 bedroom house to 25/- for a 5 room house, thereby giving the Company a 4% return on investment. Although the workers had voiced their opinion in 1919 that the site was too far from Hobart this factor seems to have never been given much weight by E.Z management.

The architect Stephenson was again contacted in mid 1923 and advised of the need to make alterations to the Orpwood's estate plans because the land in the modified scheme would not be under E.Z.'s direct control. Stephenson stressed the need for the village to be planned and created as a single harmonious entity and suggested that plans should be drawn outlining the


44 E.Z. Records, A/2-8, Gepp to Stephenson, 8/7/20. A.O.T.


styles, groups and grouping of houses, the planting of the area and other general arrangements including the formation of playgrounds.\textsuperscript{47} However Gepp believed it was not practicable to organise the scheme as Stephenson had suggested as the layout was already determined with the individual house design being left to the borrower under the guidance of the Trustees.\textsuperscript{48}

The layout for Orpwood's block was amended by Hobart architects Hutchinson and Walker. They produced a utilitarian design claiming that the old designs were only possible if the Company had control over the whole area. A playground, village green and 9 conjoined houses were eliminated from the design. The facilities and houses proposed were of a cheaper design and although the recreation reserve was to be extended it was a far cry from the model garden suburb that had been originally planned.\textsuperscript{49} In spite of the blocks being offered at cost price only 17 of the 103 blocks were sold,\textsuperscript{50} with the vacant subdivision standing as a mute testimony to the degradation of the original concept of a model garden.

\textsuperscript{47} E.Z. Records, A/17-4, Stephenson to Gepp, 28/5/23. A.O.T.

\textsuperscript{48} E.Z. Records, A/17-4, Stephenson to Gepp, 19/6/23. A.O.T.

\textsuperscript{49} E.Z. Records, A/17-4, Stephenson to Gepp, 23/10/23. A.O.T.

\textsuperscript{50} Burrows, op. cit., p. 58.
village.

In late 1984 the Company made arrangements for the houses at Lutana to be sold with the assistance of the Cooperative Council Home Building Fund.\(^5\) This course of action was most likely due to the difficulty E.Z had in letting the houses at Lutana,\(^6\) which was causing the Company to lose money on the houses. A.W. Hutchin, the Superintendent of E.Z.'s Industrial Department wanted to defer selling the co-operative scheme houses for a year as he believed indicators pointed to a steady decline in the value of worker's houses and of their wages.\(^7\) If Hutchin's predictions were true there would be a decline in demand for the Lutana houses, causing house prices to fall, and making it less likely E.Z would recoup its outlay. After a year, however, wages would rise causing house prices to increase which would enable E.Z. to sell its houses for a higher price.

In June 1988 approximately 15% of the houses at Lutana had been vacant in the prior 2-3 months. This was in part due to an oversupply in houses and a drop in rents which

\(^{5\) E.Z. Records, A/24-4, General Manager to Secretary Cooperative Council, 30/9/81. A.O.T.

\(^{6\) E.Z. Records, A/24-4, Hutchins to the Deputy General Manager, 4/11/84. A.O.T.

\(^{7\) E.Z. Records, A/24-4, Hutchin to the Deputy General Manager, 17/12/84. A.O.T.
made other areas more attractive than Lutana. The Deputy General Manager, David Meredith, told Collins House that the worker’s disinclination to live at Lutana stemmed from a number of reasons ‘the principal of which are

1) Prejudice against the concrete house which is thought to be damp.

2) Our Cooperative housing scheme has deprived us of some good tenants.

3) Our wage rates allow for a certain choice of locality nearer the city with the easing of the housing position, and our cheap rail concessions put a premium on living a distance from the works.’

Meredith requested and was duly given approval to reduce the rents on the houses at Lutana by 20%.54 It would appear that Lutana was only popular in times of severe housing shortages. An increase in the availability of houses, doubtless due in part to E.Z’s Cooperative Building Fund enabling employees to build rather than rent houses in any suburb, and the subsidised rail fares which made it less expensive for employees to travel to work took away Lutana’s prime attractions, namely its proximity to the Works and its rental housing.

54 E.Z. Records, Meredith to Collins House, 26/6/25. A.O.T.
The 20% reduction in rent did not have the desired effect, and in 1987 Hutchin reported an average of 10 empty houses. He advised that a further reduction in rent would attract a less desirable tenant and would make the contrast between the weekly payments required for a house built under the Cooperative houses scheme and those let by the Company greater and quite probably depreciate the value of the company houses. Nevertheless Hutchin did not propose a solution to the problem of empty rental houses and uneconomic rents.

The vision of a large harmonious village at Lutana did not eventuate on the scale initially outlined in 1918. The Company believed by 1986 that the housing scheme had fulfilled its duty, which was to meet the housing shortage and to stabilise employees in their own homes, and as the value of houses had dropped there was little purpose in building new homes. This was presumably because the drop in the value of houses had cheapened the price of house rentals making it easier for employees to obtain accommodation in places other than Lutana, and had

55 E.Z. Records, Hutchin to the Deputy General Manager, 5/6/86. A.O.T.
56 E.Z. Records, A/39-3, Hutchin to the Deputy General Manager, 11/1/86. A.O.T.
57 E.Z. Records, A/39-3, Deputy General Manager to General Manager, 13/7/86. A.O.T.
increased the affordability of houses making it easier for workers to build or buy their own homes. The Company's involvement with Lutana shifted to day-to-day maintenance of the village and vigilance over peoples' behaviour at Lutana. Inspections of the houses continued with the occasional report of houses being kept 'in a very dirty condition and the children apparently not controlled.' There appears to have been difficulty in controlling some of Hobart's working class youths from nearby suburbs. In 1934 there were reports of youths annoying residents at Lutana and committing acts of vandalism. E.Z countered requesting the police to organise extra patrols and arranging for the Returned Soldiers Civil Patrol to patrol the village.

The great crash brought a 10% cut in E.Z. worker's wages in 1931, and also a 10% rental reduction on all houses owned by E.Z. Some tenants were unable to keep up with their rental payments and either left or were evicted from their houses. As rental was still owed by some tenants a collection agency was hired to obtain the outstanding rentals. Some, such as Mrs Glidden whose

59 E.Z. Records, A/73-1, R.S.S.I.L to E.Z., 10/12/34. A.O.T.
husband had been killed at the Works and children had been retrenched, offered to pay some rental and requested that her son and daughters be given work at the Works.\textsuperscript{51} Others such as Mrs Brockman came out fighting, and revealed the anger and frustration felt by some of the workers retrenched by E.Z. She told E.Z that if they had given her husband work she would have been able to pay. ‘I did not think that you would put your foot on me like that when you knew the way we was when we left you ... you big men don’t care a scrap wether us poor wretches live or die you have your regular income you don’t know what it is to be without food there is all my family with hardly a boot to their feet there are better boots in the rubbish tip’ and furthermore ‘a big company like the zinc ought not miss a few pounds like that you could help poor people like us if you tried but you would not do that you would rather crush and keep us down’.\textsuperscript{52} Mrs Brockman received a letter from E.Z stating that the collection agency had been withdrawn and she should pay when she could.\textsuperscript{53}

However housing did not comprise the totality of E.Z’s

\textsuperscript{51} E.Z. Records, A/73-1, Mrs. Glidden to E.Z., 9/6/31. A.O.T.

\textsuperscript{52} E.Z. Records, A/73-1, Mrs Brockman to E.Z., 25/6/31. A.O.T.

\textsuperscript{53} E.Z. Records, A/73-1, File Cooperative Houses Rent. A.O.T.
welfare. Instrumental in running and organising many of
the welfare activities was the Cooperative Council which
was later to change its name to the Community Council.
The Council was formed in 1918 for the purpose of
participating in and controlling a scheme for the supply
and sale of the necessities of life on a cooperative
basis to the employees of E.Z.' The Council consisted of
three members appointed by the General Manager, and
another nine elected annually by all the employees. The
General Manager of the Company was the ex officio
President of the Council, whilst the Chairman, Vice
Chairman and Secretary were to be elected by the Council
from amongst its members.64

The Cooperative Council’s first undertaking was to supply
firewood at a very low profit margin. David Meredith, the
Deputy General Manager, questioned its economic viability
and thought it had 'no attraction from an appreciable
money saving point of view.'65 This proved to be true and
the scheme was quickly abandoned.66 In response to a
strike by the Master Butchers of Hobart, a meat store was
opened in 1918. Although it did not sell a very large
volume of meat, Baker asserts that it did keep the price

64 Baker, op. cit., p. 12.

65 E.Z. Records, A/1-2, File Cooperative Council,
30/10/18. A.O.T.

66 Baker, op. cit., p. 18.
of meat prices down in the adjoining suburbs until its closure in 1923.  

One of the Cooperative Council's more ambitious projects was the establishment of a cooperative store to supply 'the necessities of life and other goods at the lowest cost price.' The Company was to lend the Council sufficient money to erect a building and purchase company-approved stock. The profits were to be put back into the store, distributed amongst purchasers or used for any benevolent philanthropic or educational purpose. Initially the store was located next to the butcher's shop at the works, but in 1920 the Cooperative Council purchased a store site in Albert Road Moonah for £1,350. The store's trading figures were poor, with the Cooperative Council Secretary attributing its disappointing trading results to its bad position, badly assorted stock and the lack of a sufficient inducement to warrant the housewife a trip to Moonah. As a consequence the store was sold for £1,000 in August

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67 Ibid. p18.

68 E.Z. Records, A/1-2, File Cooperative Council, 31/12/18. A.O.T.


70 E.Z. Records, A/3-3, File Cooperative Council. A.O.T.
The Collins House Board forwarded the Council £8,819 to cover the losses sustained by the store and woodyard and warned that all cooperative activities should be made self supporting otherwise their continuance could not be guaranteed. The store was moved back to the Works where it functioned in a successful though far smaller manner along the lines of the Cribtime store, that is it operated only at certain times during the day such as morning and afternoon tea time, lunchtime and after work. In a move aimed at overcoming the isolation of the residents at Lutana, Gepp arranged for a Cooperative store to be built in the village. The Company was to finance the erection at a cost of £500, of which 10% was to be received by way of rent yielding the company a net return of between 5% and 6%. As in many other cooperative activities the return in relation to expenses was a disappointment to the Cooperative Council. The Cooperative store at Lutana was only returning £32 per week in 1985, which was insufficient to pay expenses. The cause was seen as the

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72 E.Z. Records, A/10-4, Shackell to E.Z., 29/9/81. A.O.T.

73 Baker, op. cit., p. 21.

74 E.Z. Records, A/10-4, Gepp to Collins House, 15/11/88. A.O.T.

low occupancy houses which narrowed the store's customer base to such a point it was no longer viable. As it was felt this situation would not change the Cooperative Council Secretary recommended to the Company in 1925 that the store be closed76 which was duly done.77

The activities of the Cooperative Council were not solely confined to housing and trading. It organised a large number of social and sporting clubs. In early 1919 approval was given to form a brass band and tennis club,78 whilst an orchestra, lacrosse, cricket and football teams were in operation by 1920 at least.79 The first annual picnic was held in 1918 and has continued until the present day. The company donated money to cover the cost of essentials, such as the ferry ride to Brown's River and entertainment for the children.80

Although the Cooperative Council organised a great number of these activities E.Z was always keen to retain control. When a proposal was put forward to buy the band

76 E.Z. Records, A/31-3, Baker to Deputy General Manager, 1/6/25. A.O.T.

77 E.Z Records, A/31-3, Deputy General Manager to Cooperative Council, 6/6/25. A.O.T.

78 E.Z Records, A/31-3, Meredith to Secretary Cooperative Council, 14/12/19. A.O.T.

79 E.Z. Records, A/2-1, File Notices. A.O.T.

80 E.Z Records, A/1-2, Meredith to Secretary Cooperative Council, 10/2/20. A.O.T.
uniforms on a £ for £ basis, Gepp was adamant that the band should not buy its own instruments as 'if the instruments eventually become the property of the Band, the Company will lose its controlling influence which it now possesses and which it might be desirable to retain.' Many of these activities had a chequered career. The tennis club was disbanded in 1985 due to the lack of a suitable court. The band drew its members from the E.Z. workforce and its strength therefore fluctuated according to the Company's economic strength. As the band was thought to be closely identified with the Zinc Works by the public and performed charitable works, C.R. Baker requested that when the Company was hiring new employees it give preference to bandsmen.

Whilst a great number of people participated in these sporting and social activities, with the reduction of trading activities that coincided with the store moving from Albert Road to the Works in 1988, the Company was concerned that there was insufficient for the Cooperative Council to do and believed it may disintegrate if there were not sufficient activities for it to pursue. E.Z. had

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81 E.Z. Records, A/17-4, Gepp to Collins House, 18/1/23. A.O.T.


evidence from the Company doctor, Dr Cordner, of the need to establish a district nursing service to help wives and mothers, particularly those with small and growing families. As well, Dr. Cordner had provided evidence of the 'shocking state of teeth of a large number of our men,' which could be remedied by a cooperative dental service. He made E.Z aware of the severe financial strain that could be imposed upon workers by hospital bed charges, which he thought could be relieved by some type of company subsidy on hospital beds. Hutchin requested authority to discuss these projects with the Cooperative Council with a view to formulating recommendations for the approval of the Company and added 'The recent decision of the Arbitration Court exempting us from the operation of Federal Awards tends to make us more than ever a self governing industrial community in the matter of wages and conditions, and the natural corollary of this is a well thought out programme of social service also conducted on self governing lines.' In line with corporate liberal disillusionment with some of the activities with the state, Hutchin believed the activities of the state could be replaced by the activities of industry. The activities of the Cooperative Council, with its elected members, could be likened to the activities of members of Parliament and as the Hughes Government was actively encouraging manufacturing and

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84 E.Z. Records, A/10-4, Hutchin to Gepp, 9/6/22. A.O.T.
leaving some sectors it had previously occupied, it was therefore natural to think of the Company taking over some of the social services provided by the state.

In a letter to the Cooperative Council in 1980, the Company suggested 'Cooperation between all employees of this Company, and the Company itself must undoubtedly concern itself most seriously in assisting and improving the general health of the community ... and in no way can this be more definitely improved than by regular dental and medical supervision.' This attitude was supported by the Directors who believed that although there was not a health problem at Risdon, there was a relationship between good health and efficiency, and that the establishment of a dental clinic deserved consideration if only from the point of making the employees more efficient. The Company was willing to aid the Cooperative Council with the cost of a dental surgery, workshop and equipment and with the general inauguration of the dental scheme. The dentist would not only be concerned with the pulling and saving of teeth but 'with propaganda among all of us, looking towards education as to the care of teeth which will prevent trouble and

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es E.Z. Records, A/1-2, Memo Cooperative Council, 8/3/80. A.O.T.

es B.H.A.S. Records, Fraser Papers, Box 1/33/8, Notes by G. Swinburne on visit of Colin Fraser and himself to Risdon 1/2/83 to 6/2/83. M.U.A.
obviate the necessity of dental surgery. However the idea was received coldly by the Cooperative Council and it was not until mid 1923 that a dentist was set up in his surgery in an old inn close to the Works. Once established the service was received with enthusiasm with 459 visits being recorded in the first three months. The cost to the worker was nominal but the cost to the Company amounted to a subsidy of £633/18/2 in the 6 months to 31 December 1923. Initially access to the dental clinic was restricted to the actual workers, but was extended to the worker’s wives and children in 1924. The Company had believed that the working class mother was often badly in need of dental treatment but was likely to postpone her visits until her children’s needs were satisfied. They believed the dental clinic had remedied this situation and she was now able to receive appropriate treatment. Overall ‘both the Cooperative Council and the Company feel that the Clinic, established and operated primarily to promote good health, has succeeded and concurrently has also promoted good health.

87 E.Z. Records, A/1-2, Memo Cooperative Council, 8/3/20. A.O.T.

88 Baker, op. cit., p. 27.


and efficiency.\textsuperscript{82} The dental clinic as indicated by its great patronage provided a sorely needed service. Although it may have come partially from altruism on E.Z.'s behalf, the Company was quite aware of the effects of such benefits on efficiency.

The Medical Union was proposed in 1980 by T Mailer, the then President of the Cooperative Council.\textsuperscript{83} It was hoped that the Union's establishment would enable employees to receive free medical treatment and prescriptions from the Union Medical Officer at the Works.\textsuperscript{84} The Company believed the idea was directly advantageous to employees and supported the cause and promised that, if the Cooperative Council could get all employees to join, the Company would make membership a condition of future employment.\textsuperscript{85} The Medical Union commenced in July 1980 with voluntary membership at a cost of 9d. per week. A doctor was engaged by E.Z on the basis that if the fund had less than 500 members in the first 3 months the Company would pay the shortfall between the actual number

\textsuperscript{82} E.Z. Records, A/31-3, File Cooperative Dental Clinic. A.O.T.

\textsuperscript{83} Baker, op. cit., p. 25.

\textsuperscript{84} Ibid., p. 27.

\textsuperscript{85} E.Z. Records, A/1-2, Meredith to Secretary Cooperative Council, 4/2/80. A.O.T.
of members and the guaranteed 500 members.\textsuperscript{90} However there was no necessity as 503 had joined by June 1980.\textsuperscript{97} The doctor initially appointed had resigned and was replaced by Dr Cordner, who was to be paid £100 over the money earned through consultations on the condition that he be at the call of the Company and conduct regular inspections of the plant with a view of keeping the Works sanitary and hygienic.\textsuperscript{99} Although the Medical Union had initially enrolled a substantial number of members by 1981 it was in difficulty. Economic conditions had reduced E.Z.'s workforce to such an extent that even though 75% of the daily paid workers were in the fund this amounted to only 35 workers. The Union was not running on 'satisfactory financial lines' and it was suggested that staff might like to avail themselves of medical insurance for themselves and their families. The Company was already subsidising the scheme to the extent of £600 per annum and felt that under the prevailing circumstances they could not direct any more money towards the scheme.\textsuperscript{99} However membership then grew and by 1983 roughly 50% of the workforce were members, which enabled the Company to reduce its subsidy to less than

\begin{itemize}
\item \textsuperscript{90} Ibid., 24/6/20. A.O.T.
\item \textsuperscript{97} E.Z. Records, A/2-1, Secretary Cooperative Council to Meredith, 9/6/20. A.O.T.
\item \textsuperscript{98} E.Z. Records, A/7-2, Hutchin to Gepp, 9/5/21. A.O.T.
\item \textsuperscript{99} E.Z. Records, A/7-1, Gepp to Heads of Department, 25/4/21. A.O.T.
\end{itemize}
£400 per annum. The proportion of the workforce nominating to be members of the Union increased to 69% in 1987, which enabled the Medical Union to trade out of its difficulties. It then become a registered Friendly Society, obtaining 98% membership from the workforce.100

As a further service the Cooperative Council arranged for 4 beds to be reserved in the hospital solely for the use of E.Z workers at a cost of £400 per annum. The Cooperative Council’s contribution was £300 and the Company’s £100.101

In 1985 the Cooperative Council expressed concern at the distance workers had to travel to have prescriptions filled and that women and children had to travel to obtain dental treatment at the Company’s clinic. As well, the Council had a need for a venue where clubs could meet and dances could be held and asked the Company to consider erecting a building that could act as a centre for cooperative activities in Moonah.102 David Meredith wrote to Collins House that, apart from the hall at Lutana, the Company had not provided anything that could act as a centre for cooperative activities. He put forward the proposition that as Moonah provided a large

100 Baker, op. cit., p. 27.
102 E.Z. Records, A/31-3, Baker to Deputy General Manager, 6/11/85. A.O.T.
amount of E.Z’s labour and was likely to do so for a considerable period of time, it appeared sound to provide there whatever was shown to be necessary to the health, well being and happiness of our employees. Meredith acknowledged that ‘the recent sittings of the Wages Board have safeguarded our position and determined our rates of labour for the next two years. Our position cannot be described otherwise than as very favourable, for the indications are that cost of living will further decline.’ Noting the high metal prices Meredith believed ‘it would be gracious and provident thing to do ... to give the employees some further share in the prosperity of the Company.’ One way he suggested this could be done would be for E.Z. to forgo any further reduction in wages, even when justified by the cost of living figures. He believed, however, that action such as this would not aid the Company’s profitability on the West Coast and ‘money given away in such a fashion achieves no permanent result that can be measured.’ Meredith pointed out that by forgoing a wage reduction as small as 3d. per day per man would involve £4000 in a year and leave nothing tangible to show for it. As an alternative to foregoing the wage reductions Meredith suggested it would be politic for the Board to finance the erection and equipping of the Moonah centre at an estimated cost of £8500. It was to be the ‘next logical step in the
development of our sociological programme.' \(^{103}\) In 1986 a
new dentist's surgery and hall were built in Hopkins
Street, Moonah.

An Insurance Society was established in 1919 with the
impatience, C.R Baker intimates, stemming from Gepp and
Gerald Mussen.\(^{104}\) The aim of the Society was to pay
sickness benefits to the workers - a necessity rather
then a luxury in an unhealthy industry such as E.Z.
However in wage cases E.Z. claimed that its working
conditions were no less healthy than any other industry
and was to be supported by governmental sources. M.L
Daly, who worked in the Cell Room, recounted the
conditions endured by the cell inspectors 'These men are
continually subject to a constant spray of sulphate. As
the work necessitates it, they lean over that cell all
the time. The cell inspector is given a respirator, but
it does not protect him the way it should. When a man
breaks out into a perspiration it runs and carries the
sulphate into his eyes and a man will come out with eyes
like raw beef.' The conditions endured by the cell
strippers were, if anything, worse. Daly stated 'There
are more accidents in this particular line than in any
other part of the Works. Only last week a man had his arm

\(^{103}\) E.Z. Records, A/31-3, Meredith to Collins House,
24/11/25. A.O.T.

\(^{104}\) Baker, op. cit., p. 4.
caught and some of his fingers severed. . . . . The Merit Board shows 22 accidents — one a fortnight — in 10 months .... They call it "Port Arthur" and themselves the "chain gang" .

As was the case with some other E.Z. societies, the Insurance Society was administered by a Board of Trustees comprising five employee representatives and five Company representatives. Sam Lyden was the first president. Membership was compulsory, and demanded a weekly contribution of 6d. For the first year the Company contributed 1/- per week per employee to enable the Society to build a reserve fund, and after this period of time reduced it to match the employees contribution. In the event of sickness, differential rates were paid to single and married men. Initially the Society paid £50 to the family of a member killed at work until 1922, when a separate Life Assurance Association was established. For the sum of 3d. per fortnight an employees kin would receive £100 in the event of death. The association appears to have been well patronised with 92% of the workers in 1927 paying their 3d. per week to be members. The Collins House Directors were enthusiastic


106 Baker, op. cit., p. 4.

about the scheme, as other employers experience of life assurance had been that it paid dividends in terms of the loyalty, goodwill and greater efficiency of the workers; and they noted that it was being used increasingly as a means of getting closer to their workers and showing interest in their welfare. In addition to its sickness benefit activities the Insurance Society administered a provident fund for the relief of employees and their families who may have drifted into distressful circumstances.

In line with the corporate liberal concern on educating the workers on management’s point of view E.Z. showed interest in the worker’s education and social life. In 1921 Gepp suggested to the Cooperative Council that thought should be given to establishing a magazine lending library, and a lecture and study circle at a later date. At a staff meeting of management at Risdon in 1920 it was decided to appoint an Educational Subcommittee to ‘investigate the whole policy of training and developing employees, and to act in an advisory capacity to the Management.’ It was to ‘recommend plans

108 B.H.A.S. Records, Fraser Papers, Box 1/33/8, Notes by Hon. George Swinburne on visit of Colin Fraser and himself to Risdon 1/2/23 to 6/2/23. M.U.A.

109 E.Z. Records, A/3-2, Assistant General Manager to B.S.B Cook, 10/3/20. A.O.T.

110 E.Z. Records, A/7-1, Gepp to Cooperative Council, 12/2/21. A.O.T.
for training developing and promoting workers generally, with a view to a) improving the individual, b) ensuring maximum production.’

An outline was offered on how educational policy should support both specialist and general education. Specialist education was to embrace the professional training of apprentices at institutions outside the Works and encourage the clerks and tradesmen to upgrade their qualifications at night classes. In the realm of general education a sociological syllabus was called for, as ‘we are living in very abnormal times and the future is pregnant with sociological possibilities.’ In line with corporate liberal thought it was argued that ignorance had retarded progress which had only ultimately been achieved at a needless cost of unhappiness and injury. The agenda for E.Z.’s educational policy was therefore to educate the workforce in such a way that they would not hinder E.Z.’s definition of progress.

Although the machinery, for example the Worker’s Education Associations, was in place it was believed there was a need to excite the worker’s desire for all round improvement and to this end the courses should be tailored to what the man needs rather than to what it was thought he needed. This view ties in with Gepp’s belief that the employer was ignorant of the employees frame of
mind and marks a recognition that if the workers were to participate, and by definition cooperate, then the workers' needs should be ascertained and the courses moulded to suit their needs rather than imposing supposed needs upon them. This did not mean that the courses designed to excite the desire for improvement and tailored to the worker's needs would be value free. An educational policy should be 'something which will make for efficiency and humanity in industry: it is the most practicable peacetime patriotism imaginable. As we are unselfish we owe it to our fellow workers to organise to help them. As we are Zinc Workers we owe to ourselves and our Company to do all we can to increase efficiency and promote the happiness and welfare of the Community.'

In Mussen's and Gepp's articles the collective belonging, reciprocal obligations of employees and employers, and the creation of unselfish ethical man were outlined. These concepts are reflected in E.Z's educational policy, only this time the collective belonging was to Australia and E.Z. As responsible and ethical workers it was their responsibility to the Company to become more efficient, as this would result in more benefits to the workers and the Company. The benefits to the larger community would be the creation of export earnings which in turn would create a stronger Australia. In this way the complex

111 E.Z. Records, A/2-1, File Minutes Miscellaneous. A.O.T.
chain between the employee's obligations, education, efficiency and nationalism were tied together. E.Z's contribution was to allow for employees to attend technical and W.E.A classes during work hours and to provide scholarships for two of the more clever of the worker's children to attend secondary school.112 A lending library was established at the Works but later moved to the hall at Lutana.113

It was thought by E.Z. management that the isolation of the Works made it desirable that as much specialist education be taken as possible, and that the employees should be encouraged through propaganda. It was suggested that the Works magazine The Electrode would offer a suitable medium.114 The Electrode was organised into three main divisions: local gossip, cooperative activities and educational uplift which aimed at physical, mental and moral improvement by means of articles on 'health, safety and the simple philosophy of life.'115 In the first issue of The Electrode in August

112 Baker, op. cit., p. 35.
114 E.Z. Records. A/2-1, C.R Baker to the Education Sub-Committee. A.O.T.
1980 116 Gepp outlined the employee's obligations to the Company. These were:

'To give a fair day's work
To treat his fellow men justly
To cooperate with the Company's organisation in the Company's work
To protect the Company's interest and property'.

The Company's obligations were:

'To give each employee a square deal
To pay fair and adequate wages
To provide good working conditions embracing Australian standards of hours of work, holidays and protection of health
To cooperate with employees in making conditions inside and outside the Works the best possible'.

Employees, individually and collectively, had a contract for industrial cooperation.117 The Electrode appeared every seven or eight weeks at a cost of £350. per annum118 until 1930, when it was discontinued as an economy measure.119 Not unexpectedly The Electrode functioned at least partially as a mouthpiece for the

117 Baker, op. cit., p. 23.
company's ideology. Sprinkled amongst articles on 'The Expectant Mother' by "Sister" and photographs of gardens at Lutana entitled 'Ted Harris' Violas' and 'Alf Knight's Antirrhina' were articles by management. There was an article outlining Gerald Mussen's talk to the Works Committee on industrial relations in which he told the Committee that E.Z's 'policy of industrial relations built on a square deal'. It represented the efforts of individuals rather than parliaments to create a better world by narrowing the gap between the 'working forces, the management and the directorate'. He proclaimed that 'If the cooperative spirit was thoroughly developed there was no doubt of the future of the Zinc industry. The old conception that there were only two factors in industry—capital and labour—was fast disappearing. Capital and labour are inert masses which need stimulating and can only successfully put on the move by men of capacity. For an industry to be successful there must be efficiency, and efficiency was tied up with discipline.'

Thus for Mussen, at least, the success of industry was dependent upon the health of the workforce, which E.Z had provided for through its Medical Union. It was by these means that the cooperative spirit was to be developed. Mussen assumed that this could only happen through the efforts of extraordinary men, such as himself and Gepp. Implicit in this is the assumption that the workers are a

120 The Electrode. Vol. 1, No. S. E.Z.
material, just like the zinc ore, to be moulded at the
Company's whim.

Hutchin's articles are less candid but the ideology is
very similar. He believed that industry was the servant
of society and responsible not only for the manufacture
of goods but the 'manufacture of happiness amongst its
people.' He linked nationalism with a kind of cooperative
classlessness by stating 'There was no room for class
distinction in Australia, and real Australians had no use
for it. The solution of a great many of the social and
industrial problems of the day lay in the better fusion
of the so-called classes and an honest endeavour by
everybody to see the other fellow's point of view.' He
believed it was the responsibility of the employer to
ensure harmonious industrial relations for: 'If each
factory or industry can be made healthier in the matter
of industrial relations the cumulative effect will be
felt in the community', and would prevent the disputes
that enabled the dreaded tide of Communism to advance.
But to avoid industrial disputes the worker had to
abandon loyalty to his trade union, and transfer it to
his industry. Hutchin believed this could be done by
industry making arrangements for each worker type which
were 'equitable and economic' thereby taking away from
the trade unions the opportunity of winning conditions

121 Ibid., Vol. 2, No. 7. E.Z.
for its members that were disparate to other workers on the site. He believed that by taking away the role of each union to negotiate standard conditions across a number of industries for its members and in attempting to impose uniform conditions within an industry 'no threat is aimed at organised Labour.' Although Hutchin asserted that this posed no threat to unionism, the removal of the union's negotiating role with regard to conditions would make them largely irrelevant in the eyes of the workers and therefore diminish their power and influence in the workplace. It will be argued that one of the effects of the Wages Boards was to make this scenario become reality.

The creation of E.Z's welfare schemes was a consequence of the ideas of people such as Mussen, Gepp and Hutchin and the expenditure of large amounts of money by the Collins House directors. When the directors put on their public visages they whole-heartedly supported the welfare schemes. In a speech at the first annual meeting of E.Z in December 1921 W.L Baillieu expounded the value of E.Z's Industrial Department overseeing and controlling industrial conditions at the Works and promoting the social welfare and interests of the staff and employees. The effect was that 'we have found a ready response to our efforts to improve the community interest ... it is

122 Ibid., Vol. 5, No. 4. E.Z.
essential ... to have a force of efficient, earnest and zealous employees who realise that the higher standards of living which they enjoy can only be retained by constant application to the tasks in hand and a determination to improve individual efficiency.' Beillieu believed that their efforts to provide welfare such as housing, medical benefits and sporting clubs had given the workers a higher standard of living and made them realise that for such benefits to continue there must be increased productivity.

The important aspect of E.Z's welfare schemes was that the worker had little discretion. If a worker is given money he has, in theory, total discretion on the way the money is spent. With the welfare measures he has only nominal discretion insofar as he either chooses not to participate in the schemes and therefore does not receive any benefit, or participate in the schemes on the Company's terms and is given to believe that the continuance of such benefits is dependent upon his dedication to the Company's cause - he is bound to the Company.

There was a degree of tension between Gepp and the Collins House directors on the question of welfare benefits. In 1921 W.S. Robinson wrote to Colin Fraser: 'I

123 The Mercury, 24/12/21.
note the Electrolytic Zinc is getting out a good deal of literature on co-partnership. I hope you will quietly sidetrack any efforts to introduce the millennium at Risdon ... The war and a few other factors lead to great differences between costs and selling prices, and as is only to be expected the huge resulting profits led to a general demand for profit sharing and other wild schemes.' But more recently the zinc industry had suffered considerably reduced profits, and Robinson believed that to advocate profit sharing would be hastening the business's financial decline and 'filling the workers with ideals and leaving his pocket and stomach empty.' His advice was 'Tell Gepp to produce zinc cheaply and he will do more good for his workers than by filling them up with hopes of heaven on earth.' In Robinson's mind benefits would accrue to workers through a trickle down effect resulting from increased wealth resulting from increased production rather than from any profit sharing scheme. It would be their labours that would be rewarded rather than their dreams.

Colin Fraser thought Gepp wantonly spent too much Collins House money but, unlike some of the other Collins House directors, believed he was an asset to E.Z.\textsuperscript{185} W.L.

\textsuperscript{184} B.H.A.S. Records, Colin Fraser Papers, Box 1/55/1/2/2, W.S. Robinson to Colin Fraser, 26/9/21. M.U.A.

\textsuperscript{185} B.H.A.S. Records, Colin Fraser Papers, Box 1/55/1/2/2, Colin Fraser to W.S. Robinson, 18/12/22. M.U.A.
Baillieu appears to have been one of those who were not always well-disposed towards Gepp. His private opinions were vastly different to the public statements he made to bodies such as the shareholders. Only three months after reporting the success of the Risdon welfare schemes to the shareholders, he expressed to W.S. Robinson concern at the cost of Gepp's welfare schemes, particularly when E.Z. was not particularly profitable and he could not see any monetary benefits emerging from the relatively high expenditure on company welfare. He believed Gepp 'had us in the clouds too long and he will not be allowed to forget his follies and what they have cost the Company. No thanks to him that the E.Z can carry his mistakes.' It would appear that Baillieu thought of Gepp's welfare efforts as misplaced naive idealism that had been a great hinderance to E.Z's profitability, and a great cost to Collins House. Obviously referring to W.S. Robinson's efforts in obtaining the British government contract that virtually guaranteed E.Z's profitability for a number of years, he concluded 'It will be some satisfaction to you to know that at least some of us know why and how the company can now gaily sail along notwithstanding the dead weight Gepp placed upon it.'

It is clear that amongst the top managers of Collins

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House and E.Z. there was conflict over the value and usefulness of welfare. Robinson gave this lack of cohesion amongst management as the reason Baillieu was pleased to see Gepp depart from Collins House. Robinson was to recount Gepp’s appointment to the Development and Migration Commission in 1986 with these words, ‘... he [W.L Baillieu] burst into my room to say “Bill, I was walking from the top of Collins St. when S.M.B [Prime Minister Stanley Melbourne Bruce] came up to me and putting his arm around my shoulders said ‘Baillieu, I wonder if I would be robbing you if I asked you to release Herbert Gepp to take the Chairmanship of the new Development and Migration Commission’. I felt the guiding hand of Providence was on our side, Bill, and after polite hesitation I reluctantly agreed.”’

After Gepp’s departure the welfare schemes continued in the same manner as before. His schemes were more successful than some of the Collins House could possibly envisage. Gepp’s initial stated aim behind the housing scheme were to have the workforce close at hand for operational reasons and to give the worker a better standard of housing. Although the scheme was not as large as he had originally envisaged, he felt it did satisfy these demands. Others, however, offered different motives.

for the housing scheme. The architect Stephenson, and to a lesser extent Butler, believed that the housing scheme would result in industrial harmony and efficiency at the Works. At a later date Hutchin and Gepp were more specific about their motives behind the Lutana housing scheme when they outlined potential for the industrial officers, who lived in the village, to foster a feeling of 'solid commitment' to the Company. It is difficult to ascertain whether E.Z did manage to get the residents of Lutana to strongly identify with Company although, with the Company dominating their working and home life, it is probable they did to a greater extent than workers who did not live in Lutana. The fact that only 41 houses were built at Lutana meant that the Lutana residents were too small a group to have any noticeably placating effect on the rest of the workforce. The Company only built a small number of the houses it had originally planned because it had difficulty getting workers to live at Lutana. E.Z believed this was because the houses were built of concrete, too expensive and too far from facilities. A reason that was not advanced by E.Z but is equally plausible was that the workers did not want to live in the potentially stifling atmosphere of a company village surrounded by the Company's industrial officers.

The workers did, however, freely participate in a number of E.Z's other welfare schemes, such as the doctor,
dentist, Medical Union, Insurance Society and various sporting clubs. E.Z set up many of these schemes in the hope they would improve worker efficiency. The schemes most likely did prevent sickness, improve employee efficiency and give workers a better quality of life. Some of the schemes, however, were a necessity rather than a luxury to many workers given the hazardous nature of work at E.Z, and would account for the high participation rates. Whatever the workers motives for joining these schemes, the effect was to bind him to the company. The continuation of these schemes was made to appear to the workers as being dependent upon his increasing productivity and the Company’s continued success. E.Z’s journal The Electrode made it abundantly clear to workers that the Company’s continued success was dependent upon a harmonious industrial front thereby completing the link with welfare. In this manner E.Z’s and the workers interests were made to appear synonymous.
CHAPTER 3.

INDUSTRIAL RELATIONS AT ELECTROLYTIC ZINC.

This chapter aims to explore the reasons behind the generally placid nature of industrial relations at E.Z. The 1980's were characterised by sometimes frequent and large scale industrial action and repressive legislation by governments to prevent such action. Industrial action at E.Z can at best be described as sporadic and piecemeal. This chapter looks at the industrial policies and institutions put in place by E.Z and the state to manage E.Z's workforce, and the effects these measures had upon the workforce.

E.Z's industrial policy and strategy was multifaceted and complex and revolved around E.Z's Industrial Department, the Cooperative Council and the Works Committee. The Industrial Department acted as a collection point for all information touching on industrial relations that affected the conduct of the operations of the Company. It was involved in the formulation of policy covering wages, working conditions, hygiene and cooperative activities in consultation with the Cooperative Council and later the Works Committee, and was the Company's interface with outside organisations such as the Australian Mines and Metals Association, which acted as an employer's
advocate. The Industrial Department's role was to keep in close touch with the administrative and financial position of all cooperative activities, including the housing scheme at Lutana, and to keep management fully informed on any developments and activities in these areas. A further responsibility was to edit and publish the Works magazine The Electrode. Lastly it was to be conversant with, and advise on, all legislation that affected the Company such as the Wages Board Act.¹

The Industrial Department was led in its formative years by Major A.W Hutchin, who had been recruited from the Hydro-Zinc Employment Bureau. The Bureau had been established to recruit labour for the Hydro-Electric Department and E.Z.² He was initially appointed Assistant Superintendent,³ and later became Superintendent of the Industrial Department on a salary of £650 per annum.⁴ Hutchin's ambition and ideology was such that he was later to head the conservative All-For-Australia group in Hobart, and was the endorsed United Australia Party candidate in 1931. Hutchin preached an ideology similar

¹ E.Z. Records, A/27-3, File Organisation Industrial Department. Staff Note No 144., 11/2/84. A.O.T.

² E.Z. Records, Box A/4-1, Hutchin to Meredith, 20/5/20. A.O.T.

³ E.Z Records, Box A/1-1, File Miscellaneous. 25/10/20. A.O.T.

⁴ B.H.A.S. Records, Colin Fraser Papers, Box 1/31/8. M.U.A.
to that of Gepp and Mussen rhetoric. In an election speech Hutchin declared 'Australians had never lacked courage ... and he was positive they would declare for a cessation of internal strife and a desire to get on with the job .... [I]f they came together for the purpose of solving the problems, with one eye on the welfare of our country and the other on the ideal of a fair deal for every body, all difficulties would melt away and reconciliation would be effected in all directions.' Hutchin denied the existence of class and instead stressed the commonality of all people as Australians. From his perspective industrial conflict was a self interested difference of opinion and all that was required for it to disappear was for people to show an altruistic interest in others, which included business, and Australia as a whole for these differences of opinion to disappear. Hutchin concluded that 'the U.A.P stood for the development of a real working unity among all sections of the community. If Australia was ever to grow up and to stand as a nation they must develop unity.'

Maturity as a nation was linked with consensus and altruism. The Mercury, which has never been slow to throw its editorial weight behind conservative causes, gave Hutchin its blessing by concluding that 'the policy of the U.A.P, as expounded by Major Hutchin is one of sanity and security on which industrial and commercial recovery

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5 The Mercury, 8/12/31.
can be based.'

With this recommendation Hutchin was duly elected as the federal member for Denison in 1931.

The second pillar of E.Z's industrial strategy was the Cooperative Council whose stated aim was 'participating in and controlling the scheme for the supply and sale of the necessities of life on a cooperative basis.' As shown in the previous chapter the Cooperative Council administered the Company's housing, medical and social schemes. It comprised three members appointed by the General Manager, and nine elected annually by the employees. There was an Executive Committee elected or nominated from the members of the Cooperative Council. The Committee was made up of three members elected from the employees and then elected by the Council as members of the Executive, and two members nominated by the General Manager. The Chairman and Vice Chairman were to be as employee representatives and by virtue of the importance of their office were automatically Executive Committee members. The first chairman George Hargraves was a strong member of the Amalgamated Society of Engineers (A.S.E) who would later regret his association with the Co-operative Council. The first secretary was C.R Baker, who had previously been associated with the

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8 Ibid., 9/12/31.
trade union movement in South Australia. He was paid £6/10/- and a bonus of £8 per week by the Company to perform the duties of the position. Although the Co-operative Council's role was to administer many of the Company's industrial welfare schemes, through its secretary C.R. Baker and the interlocking membership of its members with the Works Committee and Wages Board, it had a defusing effect on industrial conflict at the Works and acted to integrate the workers with the Company. Although paid by the Company, C.R. Baker's task was to administer the schemes for the workers and he was able to wield a large amount of authority through this position. Baker had great faith in the Company's institutions and he happily acted as the Company's mouthpiece in espousing its virtues, even when a cooler look suggests this was to the detriment of the unions and ultimately the workers.

The E.Z Works Committee was formed on a temporary early in 1920 to discuss the Company's proposition that wages should be varied according to cost of living figures. Until this time wages and conditions had been discussed with the Co-operative Council as this was, according to C.R. Baker, the only representative employee body on the

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* Roe, op. cit., p. 98.

* B.H.A.S. Records, Colin Fraser Papers, Box 1/31/8. A.D.T.
Works that management could deal with. Baker does not mention whether at this time there were any unions operating at the Works or merely whether E.Z management did not want to negotiate with the unions. In a scenario that was to be repeated many times in the future E.Z.'s Deputy General Manager David Meredith, after granting a wage rise, reminded the Works Committee members that the Company was labouring under a heavy and unforeseen rise in wages and the cost of materials, and 'sincerely hopes that in view of the action that it has taken in endeavouring to do the right thing by its employees, they will likewise do the same toward the Company.' He added that 'Management hopes for a continuance of the same happy relationship and spirit of cooperation that has prevailed in the past. It is only by fairminded talk round a table that the Management and the employees can get to understand their respective problems and difficulties that confront us all.' He suggested that the Works Committee, comprising elected sectional representatives and some members of the Cooperative Council should form themselves into a permanent committee whose members would be elected or appointed on a yearly basis. George Hargreaves moved that the Committee reassemble in the future to discuss the cost of living

10 Baker, op. cit., p. 46.

11 E.Z Records, Box A/2-1, Works Committee Agenda Paper, 30/3/80. A.O.T.
figures and a permanent constitution for the Committee.\textsuperscript{12}

This constitution declared that 'the general function of the Committee was to assist the cooperation of the employees with the Company and discuss all matters relating to working conditions, wages, health, safety, efficiency and industrial matters generally, as distinguished from the trading, social and athletic activities controlled by the Cooperative Council. Wages and overtime shall be determined with the machinery provided by law.'\textsuperscript{13} There was a specific clause prohibiting the Company's cooperative activities from being used as a factor in the fixing of wages. This was later to become a sore point with George Hargreaves. The Works Committee had representation from the employees, Company and Cooperative Council. The employee representatives were elected from each section of the factory with the number of representatives being proportional to the number of men working in the section. As was the usual practice the Company representatives were appointed by the Company. The ratio of Company representatives was set at not more than one for every three employee representatives. Although the General Manager was President of the Works Committee he nominated a Chairman for the ensuing yearly term of the Committee.

\textsuperscript{12} Baker, op. cit., p. 46.

\textsuperscript{13} Baker, op. cit., p. 47.
Meetings of the Works Committee could be convened by the Cooperative Committee either at the request of the President or with the consent of the President.14

For the first year of its operation the Works Committee dealt with all matters of wages and conditions and met every six months and adjusted wages according to the cost of living. In 1981 this role was usurped when the Tasmanian Government established an Industrial Wages Board system. This system forced employer and employee representatives to meet and determine the minimum rates of pay and the maximum number of hours to be worked in an industry wide. Whilst the Wages Board theoretically took away the Works Committee role of agreeing on wages and left it with the role of overseeing conditions and grievances, in practice the Works Committee continued to exist and made recommendations on wages that were mostly rubberstamped by the Wages Board. C.R. Baker recounts 'In many instances an agreement was reached before the actual meetings of the Wages Board.' This was able to occur because the Works Committee conducted the ballot for the election of the employee representatives on the Wages Board.15 Works Committee membership was most likely seen by workers as a useful prerequisite for Wages Board membership, with the result that there was a large amount

15 Baker, op. cit., p. 50.
of overlapping membership between the Wages Board and Works Committee. Agreements were reached in the Works Committee and then acted out in front of the Wages Board in order to gain a Determination. The close links between the Company implemented Works Committee and the state Wages Board may have been responsible for some of the worker allegations that the employee representatives on the Wages Board had been overly influenced by the Company.

The employee members of the Wages Board had absorbed Gepp's rhetoric on consensus, cooperation and uplift even if they did not repeat it in exactly the form E.Z. may have desired. At a Wages Board meeting in 1925 H.F Cook, who was an employee representative, couched the employees request for a wage rise with these words 'Take your mind back to the head of your department Mr H.W Gepp. It is a pleasure to meet him. He is a man who wants to lift the workers out of their present position and lift them higher. He is a man who is respected all over Risdon. We claim that by attempting to raise our fellow workers at Risdon we are attempting to carry out his ideals.' The employee representatives were claiming their ideals and goals were the same as Gepp's. The point of difference lay in the means to achieving these ends. E.Z.'s means.

were to provide the worker's with welfare benefits whilst the workers means lay in the achievement of shorter hours and more pay.

The notion of Wages Boards were not well received by the Trades Hall Council. At a Trades Hall Council meeting in March 1981 Jack O’Neill, who represented the Carters and Drivers and was later to represent the Federated Confectioners Association of Australia, expressed the opinion that 'the present Wages Board Legislation had been framed to suit the interests of the employing class and not the employees.' The Council recommended that all unions refrain from nominating any delegates to the Wages Boards 'until such time as the Government sees fit to bring in a more equitable act.'

It was at this time, after the dismissal of 150 workers three months earlier and with the prospect of another eighty being made redundant, that E.Z’s workers had agreed to maintain existing rates of pay until 1 September 1981 and had requested the formation of a Zinc Wages Board. Jack O’Neill brought to the notice of the Trades hall Council E.Z’s proposal on wages maintenance and the formation of the Zinc Wages Board. He seconded a motion that a conference of 'delegates from all unions connected with the Zinc Works for the purpose of bringing forward proposals to combat their endeavors to force on its

17 Trades Hall Council Minutes, 19/3/81. A.B.L.
employees conditions so vitally opposed to the Industrial
Movement's best interests.' O'Neill's warning on the
Wages Board and efforts to stop its introduction went
unheeded by the E.Z workers.

The first industrial action at E.Z occurred in 1981.
Twenty-one stewards on the S.S Leura, which was owned by
E.Z., refused to sail to Port Adelaide on 31 December
1980 over a number of claims. The stewards wanted to work
an 8 hour day within a spread of thirteen and a half
hours, that is from 6.30 a.m to 8.30 p.m., and also
sought an extra £8 a month in wages. Their main grievance
was that the employer was entitled to deduct £8 a month
from a steward's wages to compensate for tips the steward
may have received. This occurred regardless of the actual
value of the tips received, and in effect the stewards
were demanding that this practice be discontinued. A
further grievance was that as unionists they should not
have to work with non-union members. They therefore
withdrew their labour. The captain tried to persuade the
men to work, saying that unionists were not easily
 procurable, nevertheless the stewards refused to work.
The Company then offered the Chief Steward £20 to sail
the ship to Melbourne, which he refused to do. The crew
were then arrested by the police on a charge of

18 Trades Hall Council Minutes, 19/3/21.
desertion. Although the charge of desertion was not proven in front of the Police Court, E.Z. dismissed the stewards giving them only the holiday pay that was owing to them and an extra weeks pay in lieu of notice. On account of their industrial action the stewards were out of work in the grim depressed times of 1921 whilst the non-unionists were presumably still employed. This caused the former Chief Steward, H.W Lydamore, to write 'Does the public think it is fair to engage union seamen, carry them to Hobart to work the vessel and then place them in the cruel position of having to choose between working with non-unionists or refusing to work and paying their own fares home. This is the only company which has so far done this outrageous thing.' The World was optimistic enough to declare 'the settlement which was effected is practically a victory for the men', but it must have seemed a hollow victory to the stewards. Whilst this was only minor industrial action, it is noteworthy in that it sets the scene for future encounters. E.Z did not hesitate to call upon the judicial power of the state to defeat industrial action. In spite of being found innocent on a charge of desertion the workers were dismissed, but were regarded by The World as having won a victory as they only lost their jobs and not their

18 Ibid.
20 Ibid., 11/1/21.
21 The World, 8/1/21.
liberty. The stewards dismissal did not bring forth any supportive industrial action from other E.Z. workers. E.Z's willingness to bring the full weight of the state behind it to win industrial disputes and the lack of cohesion amongst the workers at E.Z. was to make E.Z a difficult opponent to defeat.

If the stewards strike marks the start of E.Z's industrial troubles it also marks the start of their financial troubles. The 1980 world slump in metal prices caused Risdon's small operating plant to become unprofitable and forced it to close. The majority of the workers were transferred to construction jobs but 150 were still dismissed on 31 December 1980. The Works Committee agreed to the manner and order in which the men were put off, the primary determinants being service with the Company, number of dependents and the skill of the worker. The effect of having the Works Committee, rather than the Company, determine which men were to be put off would be to make it appear as though the workers had some determination over the fate of their fellows. The blame for laying off certain workers would therefore to an extent be placed at the feet of the Works Committee rather than the Company, and this would have had the

22 *Tasmanian Mail*, 24/3/81.

effect of defusing potential hostility towards the Company. The necessity for the redundancies appears to never have been questioned. It was given as a fait accompli.

In early 1981, when it appeared another 80 workers were to be dismissed, George Hargreaves who was Chairman of the Cooperative Council, suggested that rather than dismiss a percentage of the men’s wages should be deducted. The money deducted from the workers’ wages could then be used by E.Z to extend their programme of work and at a later date the employees could be reimbursed by means of 8% cumulative preference shares of £1.24. Hutchin was not in favour of this scheme for a number of reasons. He claimed that the drop in wages would cause skilled tradesmen to leave the Company, that some workmen could not afford the drop in wages, that temporary employees would not be interested in the scheme, that it would be difficult to administer and that the Company would be obliged to employ 800 men. A further consequence would be ‘the morale of the men who vote against the scheme and those who voted for it with the idea of keeping their job must decline and efficiency deteriorate.’ The scheme would break down some of the distinctions between staff and employees. ‘The idea of treating staff on the same footing as the daily paid men

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24 Tasmanian Mail, 24/3/81.
is an entirely new departure. There would be strong objection, for instance, to Cooperative Councilors being taken into confidence in respect to the salaries and allowances of senior officials of the Company.‘

With Hutchin’s recommendations perhaps in mind, the Collins House directors refused to accede to Hargreaves preference shares scheme. Agreement was reached that the employees were to continue at their present rates of pay until 1 September, thereby foregoing an increase of 1/- to 1/3 per day, and that a Zinc Wages Board be formed as soon as possible. The Collins House directors maintained ‘reduction of wages in many industries appears inevitable, but in the same spirit that prompted the works committee to make its proposal the directors put forth their suggestion to maintain existing rates of wages equitable in all the circumstances of the case.’ The end result was that the workers remained employed, did not receive a wage rise thereby effectively losing wages, and were placed under the jurisdiction of the Wages Board. Under Hargreaves’ scheme they would have had the opportunity of still receiving their wage rise, but then putting it into shares to later receive a portion of the Company’s prosperity. It would appear Hargreaves


26 The World, 18/3/81.
received a rebuttal from the workers themselves over his proposed share scheme, even though the scheme had been passed by their own Works Committee. Hutchin recounted 'We have regretted to notice that there is a very evident suspicion on the Works that the scheme originated from the Company and that the Company had contrived to have Hargreaves bring it forward. We have done what we may to allay this suspicion but we cannot be sure that we have effectually done so. A certain loss of confidence in the Chairman of the Co-operative Council has, we fear, resulted.'

Hutchin believed that if the workers relinquished a pay increase the Company had an implied obligation toward them. He suggested the Company could discharge this obligation by attempting to cut the cost of living by extending cooperative trading or by providing an amount of money that could be used to extend cooperative activities or other such collective benefits such as the medical union. At Hargreaves suggestion the Chairman of Directors, W.L. Beillieu, promised that as recompense for maintaining wages at the old rate and foregoing a potential increase of from 1/- to 1/3 each day, when the Company was working on a profitable basis a portion of


the profit would be distributed amongst the employees. Hargreaves did not forget this end during the Amalgamated Engineering Union’s industrial dispute later in 1981 he referred to the worker’s forgone wage rise and asked how the Company was to resolve the low wages it paid, with the workers’ expectations of what it should pay, based on the cost of living indicators. He was told that when the Company paid its first dividend £7,500 would be placed in a trust fund on behalf of the Cooperative Council. The accrued interest would be used to ‘the collective benefit’ of all the workers. Taking Hutchin’s suggestion, Gepp outlined that the £500 interest should be used by Baker and Hutchin in the way they had always adopted; that is, ideas for using the money should come from the Cooperative Council as far as possible; ideas should be of such a nature as to find reasonable support at the beginning and increased support as work proceeded and that the employees would be required to make a monetary contribution towards the scheme. Gepp thought a good dentist could be found for £500, and a surgery provided for an extra £500. The workers would pay for welfare measures that E.Z. could claim it had provided through a desire for the workers health. The workers would pay once by foregoing a pay rise and the second

29 *Tasmanian Mail*, 24/3/81.

30 *The World*, 30/8/81.

31 E.Z Records, A/10-4, Gepp to Hutchin, 28/6/82. A.O.T.
time by having to make a contribution to use the welfare scheme. The welfare scheme would most likely improve the workers health but would tie the worker to the Company by virtue of the fact he would feel he had a stake in the Company.

The workers at Risdon and George Hargreaves personally were to suffer for their decision to be part of a Wages Board. Gepp stated that 'It is hoped that this present arrangement will help to reduce the present chaotic conditions under which wages rates of sections of our employees are consistently being altered by one or the other of the numerous wages boards or by the Federal Arbitration Court. It is expected that the Zinc Industry Board will fix the wages of all employees at the one time and that in addition to continuity of operation we shall have continuity of wages.' The Wages Board system was to favour the Company by legally excluding their workers from Federal Awards, enabling E.Z. in many cases to pay lower wages and avoid the disruptive effects of wage flow on from other state and federal awards.

As well as agreeing to relinquish a wage rise of between 1/- and 1/3 per day, the Works Committee agreed that a 48 hour week and daily rates of 18/- for tradesmen and 14/4 for builders labourers to apply from March to September.

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32 Tasmanian Mail, 24/3/21.
1981. While this agreement was still in operation the newly constituted Zinc Wages Board met in May and reached agreement on a determination that would come into operation in June. In May the Building Trades Wages Board also met and awarded workers in that industry a 44 hour week and rates of 20/- per day for tradesmen and 18/- per day for builder’s labourers. This determination was to come into force on 20 May, which was before the Zinc wages Board determination came into force. The Chief Inspector of Factories believed that the builders at E.Z were covered by the Building Industries Board and could therefore not be covered by the Zinc Works Board and its determination. The obvious attraction to the builders at E.Z of the Building Trades determination was that it was a decrease in the number of hours worked and an increase in the amount of money they received. Gepp, backed by an opinion from the Industries Department, declared that ‘the men engaged in building operations for the production of zinc come under the terms of the Zinc Industry Wages Board.’ Naturally the builders did not agree with this opinion. On the 19 May a mass meeting of builders decided they would commence work at 7.40 a.m instead of 8 a.m. Acting on the decision of their union to enforce a 44 hour week, and under the threat of a £50 fine from their union, on the 20 May the builders at E.Z commenced work at 8 a.m instead of their usual 7.40 a.m. The Company convened the Works Committee, which less than
two years previously had heard E.Z. management talk of cooperation and fair minded talk around a table, and told the employee representatives that those men who did not start at 7.40 a.m would not be allowed to start at all. In effect they would be locked out. Gepp argued, in a public statement, that neither the men nor the company had representation under the Builders Wages Board, and urged the men to revert to their former hours. He asked the builders to refer the point in question to the Supreme Court, and if the Company was proved wrong they would pay the added rates and overtime until the time of the decision. He emphasised the extent of E.Z's investment in Tasmania, that the Company had provided better wages and conditions than set down by law and that 'it still trusts that the bulk of its employees will see the reasonableness of its attitude and not withdraw their cooperation at this juncture having given it so long.'

A mass meeting at the Works was addressed by Sam Champ, E.Z organiser of the Builder's Labourers Federation, who recounted to The World. 'I told the men, and I told them in Mr Gepp's presence, and I told Mr Gepp himself that if the Company persisted in refusing the rates and hours decided in the Building Trades Industries Determination they would be not only flouting but defying the laws of

33 The World, 21/5/21.
the land.' The meeting asked Champ to return with other union representatives in the building industry and the Chief Inspector of Factories. The Chief Inspector refused to come saying he had already given his decision. Gepp repeated his request to the union officials who emphasised to Gepp that the workers were presenting themselves for work in accordance with their determination. If they were refused work they were being locked out in defiance of the laws of Tasmania. After this a further mass meeting was held at which, according to The World, 'it appeared clear that the majority of the men present were of the opinion that the Determination of the Building Trades Industry must be observed.'

The Mercury tried to portray the building workers as isolated in their attempt to gain shorter hours and increased rates of pay. It reported that on the 20 May the plant workers had held a meeting at which they 'unanimously decided to accept the conditions of the management concerning hours and wages, and further that the workers would stand by the management in any industrial trouble that might occur.' At a further builders mass meeting the plant workers denied this

34 Ibid.
35 Ibid.
36 The Mercury, 21/5/21.
statement and the meeting expressed approval 'of the solidarity of the men employed at the Zinc Works standing by the decisions of the union.37 The Mercury was totally supportive of E.Z and full of righteous indignation on E.Z’s behalf. It believed E.Z had paid award wages, had provided cooperative benefits and activities and had settled grievances fairly, and it intimated that the union’s campaign was secretly conducted from Melbourne and had little, if any, local support. ‘It is perfectly safe to say that 95% who were called upon to refuse work obeyed with a very ill grace, and that the whole of their resentment was against their union officials and not against the company.’38

When on Saturday 21 May the construction workers arrived for work at 8 a.m instead of the usual 7.40 a.m, they found they had been locked out. After a meeting with Gepp the union officials recommended to their members that they should resume work on Monday at 7.40 a.m and under the previous conditions, on the proviso that their claim be heard in the Supreme Court.39 A further mass meeting in Trades Hall supported the union officials recommendation on the hours of work and decided that the delegates representing the various trades on the Works


Committee should be asked to resign from that Committee. 40 This was a situation that was to be repeated many times in the future.

E.Z and the unions then settled into the lengthy and complicated process of determining which award covered the builders. The Chief Secretary of the Industrial Department, which administered the Wages Board system, declared that the builders could be covered by the Zinc Wages Board. 41 The unions approached the Nationalist Party Premier, Sir Walter Lee, to have the Supreme Court decide which Wages Board was most appropriate for the E.Z builders. Lee advised he was unable to refer them to the Supreme Court unless a breach of a determination had occurred. 42 After a further meeting between union officials, Works Committee members, E.Z representatives and the Attorney General’s Department, it was agreed that the Chief Inspector of the Wages Boards should ask the Crown Law officers whether E.Z was bound by the Builders and Painters Award. If the Crown Law officers decided E.Z was bound by the Builders Wages Board then E.Z could take the matter before the Supreme Court whereas if they decided the builders were under the umbrella of the Zinc Wages Board then the workers could take action to recover

40 Ibid.
41 The Mercury, 27/5/81.
42 The World, 27/5/81.
the money before the Supreme court. The daily newspaper, The World, which was owned by the Tasmanian Labor Party and edited by Edmund Dwyer Gray who was to become Treasurer and Premier of Tasmania, decried this decision arguing that the case should have gone before the Supreme Court rather than that the Crown Law officers whose 'law is awful, and their practices rather worse.' and asked who was to guarantee the law of the Crown Law officers. If there are disputed points in a Determination The World believed they should be mooted in front of a court of competent jurisdiction. The World obviously believed that the Crown Law officers, coming as they did from a state government department in a Nationalist government, could be unduly influenced by the government and used to prevent the case reaching the courts where it would receive impartial justice.

The World was scathing in its attack on E.Z. 'We say the Zinc Company came to Tasmania to make money and because power was cheap. Now they want cheap men as well as cheap power ... We are wondering how much cheaper (for the Company) the Zinc Workers Wages Determination will prove

43 Ibid., 20/5/21.


to be than the Builders and Painters Wage Determination for similar work, how much less the men will get and how much longer they will be asked to work ... When metals were dear how much did the men get? Was there any co-partnership then.' 46 The World could see that beneath E.Z's facade of co-partnership there still existed a quest for profits, and if E.Z. could increase profits by reducing wages it would attempt to do so.

In early June the Premier, Sir Walter Lee, had still not received a reply from the Crown Law officers on which award the carpenters at E.Z were to be paid under between 20 May and 1 June 1981. Lee then raised the issue of the most appropriate board for the builders after 1 June. On investigation he had found the building trade was a prescribed trade because it trained its own apprentices, and therefore the rates dictated by the Builders and Painters Wages Board would have to be paid regardless of the employing industry. It seemed that the workers had won. Lee then declared that, in view of the number of applications that would be received from employers requesting exemption from the award, it had been decided to rescind the regulation making the building trade a prescribed trade. This meant the Builder’s and Painter’s Wages Board would not cover all builder and painters but would only pick up those not covered by industry specific

46 Ibid., 30/5/81.
awards. As the Zinc Wages Board covered all designations and trades at E.Z., the builders and painters would come under its ambit. Lee added that although it did not solve the immediate problem at E.Z this would prevent such disputes arising in the future.47 The World was outspoken in its criticism of Lee and pointed out that, whilst the Premier’s decision attempted to bring uniformity, it had produced the situation whereby a tradesman engaged in construction could work at E.Z and be classified as a zinc worker and enjoy different wages and conditions than if he worked at a different site doing exactly the same work. It believed that Lee had flagrantly manipulated the law to E.Z’s benefit, an attitude that was not completely unfounded as the Lee government was very benevolent to both E.Z. and Cadbury in their formative years. The World charged: ‘in effect he says to the Zinc Company ‘I find that the law is against you so I will change it ... ’ It believed the case had been decided outside the confines of the legal system in what it described as ‘ceremonial and convenient tangos’48 between E.Z and politicians. The World believed that workers could not be blamed for contemplating direct action when the Wages Board and Arbitration were twisted against them in such a manner.49

The Crown Law Officers formally thwarted the builders

47 The Mercury, 2/6/21.
48 The World, 16/6/21.
49 Ibid., 3/6/21.
attempts to gain higher wages and shorter hours when they
decided E.Z. was not under any legal obligation to pay
its workers the rates prescribed under the Builders and
Painters Wages Board. The builders at E.Z. launched a
final attempt to gain inclusion under the Builders and
Painters Wages Board when one of their number, Arthur
Lathey, appealed to the Supreme Court on the grounds E.Z.
should have paid him under the Builder and Painter's
Wages Board rather than the E.Z Wages Board. The Court
found for E.Z and dismissed his appeal.51

E.Z must have been conscious of the belief amongst at
least some sections of the community that the builders
attempt to procure better conditions had been defeated by
deals between E.Z and the state's Nationalist Government.
When Gepp addressed a delegation of politicians soon
after the failure of the builders case he tried to
cleanse E.Z's image. He stressed that under the depressed
conditions employers were unable to provide work and that
there was not a conspiracy on the part of employers to
use these circumstances to break down working conditions.
He emphasised that E.Z had no desire other than to pay
good wages and provide good conditions 'realising that
the greatest and wealthiest country, relative to its
size, is the country with the greatest percentage of

50 The Mercury, 18/6/81.
51 The Mercury, 16/9/82.
healthy and contented citizens.' He outlined how recent Federal Arbitration Court awards had placed a great strain on the company which would therefore be applying for exemption from federal awards. Their case to the Arbitration Court would show 'how seriously the multiplicity of awards, and the inevitable confusion they bring in their train is affecting the development of this country as a self contained portion of the Empire.' The Premier, Sir Walter Lee, agreed that the duplication of wages boards was injurious and must be remedied lest it caused industrial chaos. To this end he believed craft boards should be abolished and whole industries placed under the one board, which is what he achieved at E.Z.

The Electrode expressed a self righteous attitude over the Company's victory, and implied that the workers return to work had been due to Gapp's personal suggestion rather than any punitive actions by the Company or legislative efforts by Lee. It continued by stating that 'We trust that this vindication of constitutional methods of doing business will knock back those irresponsible persons who glory in direct action, and teach them that Zincworkers can not only stand for a principle but also stand for common sense.' The editor, P.W. Powell, who was

52 The World, 28/7/21.
Gepp's secretary,53 continued in an article entitled 'Food For Thought' to, as he put it, 'state a few facts.' E.Z.'s stance of blocking the workers demands for shorter hours and higher wages was justified with the words 'You cannot get a quart out of a pint pot. Industry is not a bottomless well of money.' In words that ring with Hutchin's type of rhetoric, The Electrode stated 'It is not true that the working class has not interests in common with other classes. Such a statement is clap trap. Ninety-nine percent of humanity belong to the working class and all the sections of the working class are linked up by the common need they have of each other to do the world's work and live their lives.'54 In this way the existence of class interests was denied and the commonality of employer and employee emphasised, thereby logically denying the reason and existence of industrial and class conflict.

It was not long afterwards that industrial trouble loomed again. In May 1921 Justice Higgins had ruled that the engineers at E.Z came under the Federal Arbitration Court's award. As federal awards overruled state awards this meant the E.Z engineers were excluding from the umbrella of the E.Z Wages Board. Under the Arbitration

54 The Electrode, Vol. 1, No. 7, June 1921. E.Z.
Court ruling the engineers were to work for 44 hours per week and receive £6/5/9 for their labours which compares favorably to the E.Z Wages Board which paid £5/8/- for a 48 hour week.\textsuperscript{55} The Company begrudgingly accepted the Federal Court's decision and, in a fit of pique, withdrew the customary railway subsidy for Amalgamated Engineering Union\textsuperscript{55} (A.E.U.) members and informed the union secretary that the Company would be seeking a variation to exempt E.Z from the award.\textsuperscript{57} At E.Z's request the 170 A.E.U members continued to work 48 hours, comprising 44 hours and 4 hours overtime.\textsuperscript{58} E.Z's industrial consultant, Gerald Mussen, thought it was desirable to keep the A.E.U working 48 hours for as long as possible for he 'would not expect any vigorous kick from the local branch of the A.S.E.'\textsuperscript{59} Mussen was able to keep the engineers working a 48 hour week for over a year, but the A.E.U's reaction was considerably stronger than he had expected.

E.Z. notified its workers that in future the Company

\textsuperscript{55} \textit{The World}, 23/8/81.

\textsuperscript{56} The Amalgamated Society of Engineers (A.S.E) changed its name to the Amalgamated Engineering Union (A.E.U) in 1980. Both names were used interchangeably for a considerable period of time.

\textsuperscript{57} E.Z. Records, A/11-3, Hutchin to Secretary A.S.E., 5/8/21. A.O.T.

\textsuperscript{58} \textit{The World}, 23/8/81.

\textsuperscript{59} E.Z. Records, A/11-3, Mussen to E.Z Melbourne, 23/9/81. A.O.T.
would discontinue subsidies to those whose rates were raised by the Federal Court or Wages Board above those enjoyed by their fellow workers.\textsuperscript{60} It was, as \textit{The World} rhetorically but astutely commented, a case whereby 'if workers are good enough to remain quiescent "zinc workers" and live without bother under the beneficent decisions of the beautiful Zinc Workers Board the good company will 1) pay them less 2) work them longer hours; but will 3) treat them to cheap trains and give them other trifles which will keep them sweet but leave a large balance of advantage with the Company.'\textsuperscript{61}

The case went before federal Arbitration in March 1982. Gepp had made a request to Collins House asking to be exempted from giving evidence.\textsuperscript{62} The probable reason for this was that by absenting himself from the Arbitration Court Gepp would be freed from the prospect of vilifying the workers. His place as a figurehead would remain unsullied by the personal recriminations of the Court and he would retain his credibility as a leader. Gepp's place in the Court was taken by Hutchin. In his affidavit Hutchin stressed that in a large industrial organisation there must be uniformity of conditions. 'Experience in

\textsuperscript{60} \textit{The World}, 30/8/81.

\textsuperscript{61} Ibid., 83/8/81.

\textsuperscript{62} E.Z. Records, A/11-3, Gepp to Collins House, 30/11/81. A.O.T.
big industry employing large numbers of men has shown that industrial peace can only be maintained if the general conditions are applied to all, and strict adherence is given to established customs and practices as between one section of employees and any other section.' He outlined how the engineers had introduced discontent into the works by being able to work fewer hours for greater pay. Hutchin tried to depict the A.S.E members as isolated and selfish: 'The employees generally expressed the view that although the members of the A.S.E had been granted higher wages and shorter hours, the majority of employees with a view in assisting in the creation of the industry would not press for similar advantages to those granted to ... the A.S.E.' Hutchin concluded with a plea that A.S.E wages and hours should not be determined by engineering conditions throughout Australia but by local E.Z. conditions.63

In his affidavit the A.E.U. representative, George Hargreaves, painted E.Z as a company that merely sought profit without any altruistic or patriotic motives. The 'Zinc Industry was not established as part of an Empire policy but simply for the purpose of making profits.' He contended that the A.S.E members had refused to accept the Wages Board Determination because they knew the Court

was about to hand down an award. He denigrated the Works Committee by saying that it was a company creation designed to prevent access to the Courts, and that the presence of heads of departments at the Works Committee meetings hindered free and open discussion because members from the various organisations on such committees were unwilling to state their real beliefs for fear of persecution by their employers.

There may be some grain of truth in Hargreave's words. Although the workers were in the majority at Works Committee meeting and therefore could not have been intimidated by being outnumbered, more subtle forms of intimidation were possible. If a worker was intimidated following an Arbitration Court appearance then presumably an avenue did exist through the Court to redress the grievance. In the case of the Works Committee the only avenue that existed was industrial action. As a Works Committee member only represented a small section of the Works, and industrial action by a small section would soon be defeated, the member would have to attempt to gain the support of a large section of the Works. The only mobilisation that did occur at E.Z. was by small number of trades men on important issues such as pay and hours of work. If workers were generally unwilling to take action over such issues then the likelihood of them mobilising for an issue such as the intimidation of a
Works Committee member were remote. Given this background it is likely that subtle intimidation of Works Committee members did occur.

Hargreaves did not believe that the A.S.E award had caused discontent. In an attempt to refute Hutchin's affidavit Hargreaves asserted that the only discontent at the Works had been caused by the company representative who had stated that the company would not grant the usual half day holiday because of the costly A.S.E award.\textsuperscript{64} E.Z was using the provision of welfare as a means to control and divide the workforce. They attempted to control the A.E.U members by withdrawing their railway subsidy and dividing them from the rest of the workforce by arbitrarily withdrawing a holiday and laying the blame for its withdrawal at the feet of the A.E.U. This would also function as an implicit warning to the rest of the workforce of way welfare benefits could be withdrawn if they did not act as the Company desired.

E.Z had contracted the services of Maughan who was General Secretary of the employer organisation The Australian Mines and Metals Association. In response to Hargreaves affidavit Maughan, acting as E.Z's counsel, presented the Court with evidence of the Company being

\textsuperscript{64} E.Z. Records, A/11-3, Affidavit of G. Hargreaves in A.S.E Case No. 113, 10/3/88. A.O.T.
fair and reasonable in all its dealings with its employees. E.Z had aimed to 'provide congenial employment for Australians at good wages and under the best of conditions.' It had advanced wages in line with cost of living increases and had cooperated with employees to provide sickness and accident benefits. Its 'great desideratum [was] to gather round it a community of contented employees who will work wholeheartedly in co-operation with the Company in the effort to establish ... a very important industry in Australia.' The Company was portrayed as being benevolent and wanting to cooperate with the workers to create a great Australian industry. 'From its very inception a constructive industrial policy has been carried out upon the best models that the Company could obtain .... So far everything has been successful in promoting goodwill and enthusiastic co-operation between the Company and its general employees. The Company is not desirous of debasing wages. It is not asking for a reduction of wages.' On the other hand Maughan presented Hargreaves as being led by the Federal Executive and that his affidavit was inconsistent with his actions. He pointed to Hargreaves membership of the Works Committee and the fact that 50% of the employee members on the Works Committee were A.S.E representatives, yet they had agreed to the resolutions that had later been ratified by the Zinc Wages Board. Further evidence of the Company's reasonableness was that
'the Company could veto the decision or flood the Works Committee or the Council by its representatives ... in fact there had been no flooding, and I think anyone who knows the general manager of the Zinc Works will admit the men get fair play and justice at any rate.' The Company had told employees that overlapping awards and determinations were 'detrimental to their own ultimate interests as well as those of the Company .... The A.S.E take a very short sighted view of the whole position, if I may say so, for the reason that they have not to manage the enterprise. They are not able to view the undertaking in the right perspective.' Maughan depicted E.Z. as being a company that wished to cooperate with its workers, and had done so by providing them with congenial employment with good wages and conditions, to build a great Australian industry and in this way defined the Company and the workers as having the same interests. He asserted that there had been 'goodwill and enthusiastic cooperation between the Company and employees' thereby making the implication that the workers had accepted that their interests were the same as the Company's. Therefore anything that was a threat to E.Z.'s interests was logically a threat to the workers interests. The rhetoric of cooperation stressed the necessity of the workers and management being educated in each others attitude of mind.

and, through confronting the Company, was defined by Maughan as being short sighted and not having the correct management perspective on matters and therefore not having the same ideals as E.Z.

In his reply Hargreaves stated that in his duties on the Works Committee he had represented the men at the Works and not the A.S.E. He attempted to absolve the A.S.E from having any part in the Wages Board decision by telling how the A.S.E had told the Company it was expecting an award from the Arbitration Court and they could therefore not be bound by E.Z Wages Board Award. Maughan examined Hargreaves on the role of cooperative activities, asking, 'Is it not a fact that [cooperative] policy has been introduced and followed with the mutual consent of the Company and its employees?' Hargreaves implied that E.Z had introduced cooperative activities not through altruism but a desire to get labour. He replied 'That is doubtful. For some considerable time there was a shortage of labour and the Zinc Company's works were situated a good distance from the town, and men could obtain employment easily in Hobart and the Company had to induce the men to go to their employ by higher wages.' Maughan continued by asking 'What I want to get at is this. Have your employees objected to the co-operative principle or followed it?' Hargreaves baulked at the question and answered: 'This is the first time that co-operative
activities have been used as an argument for reduction of wages.' Maughan tried to portray Hargreaves as a supporter of the cooperative activities by asking 'Speaking for yourself. You have been an ardent supporter of co-operation?' Hargreaves replied, 'Yes, socialism is co-operation.' Hargreaves defined cooperation as socialism insofar as it represented a partnership between classes. The fragmentary nature of liberal ideology meant Hargreaves was able to believe in a partnership between classes but not see taking industrial action as being contradictory to those beliefs. Maughan attempted to get Hargreaves to agree that the Co-operative Council and Works Committee had contributed to the smooth running of the Works. Hargreaves agreed these bodies may have had that effect but that high wages could produce the same effect. Maughan put forward the proposition that prompted by 'a spirit of co-operation and desire for the general welfare of its employees' E.Z had agreed to continue wages at the present rate. Hargreaves dourly replied 'Yes, because 12 months ago the employees were due for a 1/3 rise which they did not get.'

In his decision Justice Powers referred to the fact that the E.Z Wages Board had been appointed to determine conditions and wages for all employees including A.S.E

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members. Powers believed the A.S.E had accepted the E.Z Wages Board by agreeing with the establishment of the Board and by accepting the benefits and wages fixed by the Board. This conclusion he believed, was made even stronger by Hargreaves' prominent role in establishing the E.Z Wages Board. Hargreaves presidency of the Cooperative Council and membership of the Works Committee had weakened the A.S.E's case for exclusion from the E.Z. Wages Board. Echoing Maughan's words Powers concluded 'The effect of two binding awards for a small section of employees entitled to the best of both awards could only cause unrest and dissatisfaction among the large body of employees who are only entitled to rates and conditions they agreed to ...'

Powers decision exempted E.Z from Federal Awards and established them under the Wages Board, reduced the basic wage from 84/- to 77/- per week, established the national working week at 48 hours and made provision for the quarterly adjustment of wages based on the statistician figures.

The Federal Branch of the A.S.E refused to accept the decision. In September 1922 a meeting of the A.S.E was held at the Hobart Trades Hall with the union president, George Hargreaves, in the chair. Some time before, in a

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67 E.Z. Records, A/11-3, Extracts from Mr. Justice Powers Decision, 6/6/22. A.O.T.

68 E.Z. Records, A/11-3, Maughan to E.Z Melbourne, 9/6/22. A.O.T.
national ballot, the union members had voted overwhelmingly in favour of the 44 hour week. The meeting resolved that all shops that were not working 44 hours would commence to do so the following week. The A.S.E members believed they had secured the 44 hour week after a long uphill battle and at great financial expense, and were not prepared to sacrifice it without a fight.\(^6\) The engineers at E.Z were one of the shops working a 48 hour week.

On the 30 September E.Z handed a notice to all A.S.E members warning them of the consequences they would face if they chose to work a 44 hour week.\(^7\) The Mercury’s editorial came out strongly against the A.S.E’s actions. The editor was of the opinion that the engineer’s quest for shorter hour could lead to ‘a great industrial conflict throughout Australia.’ It argued that E.Z’s engineers had been exempted from the Federal Award and had been working a 48 hour week since 30 June. The absence of any industrial conflict in this period of time was taken by The Mercury as signifying comprised tacit acceptance of the 48 hour week. It saw the union’s decision as ‘not in defiance of the new award, but a deliberate breaking away from an award which they have already accepted, and under which they have been

\(^6\) The Mercury, 23/9/88.

\(^7\) Ibid., 30/9/88.
peacefully and without protest carrying on their vocation.' The union's claim was depicted as being led by a small number of faceless men and only a short distance from revolution. 'Of course, if the whole of the men employed at Risdon ... are willing and ready to play the game of the unscrupulous men who are behind the movement launched by the council of action, neither reason nor law will stop them.'

The Mercury had grasped the intention behind E.Z's welfare schemes when it declared that the Company had given its workers 'fair and generous treatment and should be able to rely on them for reciprocity.' and claimed 'We believe that it [E.Z] has the sympathy and moral support of the greater number of its men, and that the engineers who are ready at the behest of some officials to break the law ... will be looked upon with much disfavour.' It believed the A.S.E by was attempting to 'stand on a different footing' from the rest of the workers who still worked 48 hours and branded it an 'exclusive and superior union.' The real disadvantage of the Federal Court award to E.Z was that it required the workers to work less hours for more money and was therefore more expensive. The Mercury attempted to sidestep this issue and depict E.Z as interested in making the engineers adhere to the Wages Board award from a moral standpoint of 'the law

71 Ibid., 30/9/22.
should be obeyed.’ It concluded that ‘for the safety of the community’ the A.E.U could not be allowed to decide if it would or would not obey the law?² thereby intimating that if they would not voluntarily obey the law they should be forced to do so. If the integrating effects of E.Z’s welfare did not make the workforce behave as they desired, E.Z. could always rely on the legal system to defuse any challenge.

The A.S.E members had absented themselves from work on Saturday mornings from 30 September. Gepp had informed the union that on account of the prior excellent relations between the two bodies the Company would ignore this breach but that another would not be tolerated.²³ In mid October E.Z chose to attack the union through the legal system. It sought, by means of a court injunction, an order to restrain the officials of the A.S.E from inciting its members to strike and in particular from using union funds to support any union member or his dependents.²⁴ The judge believed the issue was covered by the Wages Board Act, which had the power to fine an individual £20 and an organisation £500 for supporting or assisting a strike, and therefore deemed it inappropriate

?² Ibid., 7/10/88.

?³ E.Z. Records, A/11-3, Gepp to Secretary A.S.E., 4/10/88. A.O.T.

?⁴ The World, 14/10/88.
to grant an injunction. In a statement to *The Mercury*, Hargreaves stressed that the engineers wished to be paid for 44 hours rather than, as some people thought, 48 hours. He said that the engineers did not consider themselves to be on strike as they had kept operations going at the Works for 44 hours. The engineers, he stated, wanted a reduction in hours in order to create jobs for engineers who were at that time unemployed.\(^{75}\)

At an A.S.E mass meeting Hargreaves declared that E.Z planned to serve summonses on all employees who had not worked on Saturday mornings and to lock out the workers if the court case failed. He claimed that the Company had boasted that it would always observe the law, but that when the law was unfavorable the company had tried to enforce its own laws. He accused E.Z of trying to prevent the union from having access to its own funds and once this had been achieved it would lock the workers out.\(^{76}\) Hargreaves image of being locked out and unable to gain union strike pay or handouts would have weighed heavily on the engineers.

E.Z went on the offensive by charging George Hargreaves with having taken part in a strike against a Wages Board Determination. It was argued by Robert Ogilvie, on

\(^{75}\) *The Mercury*, 16/10/22.

\(^{76}\) *The World*, 16/10/22.
Hargreaves behalf, that for a strike to occur there must be a contract between employer and employee. The Company, he said, had refused to obey the Federal Arbitration Award which had required the engineers to work 44 hours. The men had never accepted a contract for 48 hours and had repeatedly protested against such hours and in a ballot had rejected these hours. The Police Magistrate interpreted the Wages Board Act as determining the wages to be paid for 48 hours but it did not determine that the Works had to be kept open for 48 hours or that a worker should be forced to work 48 hours. This could only be done under the Masters and Servants Act. The Magistrate therefore dismissed the case against Hargreaves.??

The A.S.E was victorious for the moment but, as The Mercury noted in its editorial, it was unlikely E.Z would let this victory go unchallenged.?? In early November E.Z applied to the Supreme Court in order to overturn the Police Magistrates decision that the engineers had not struck. Mr Justice Crisp believed that the Wages Board did determine hours and that by continuing to work the engineers had accepted these hours. As they had combined not to come to work on Saturday he ruled that they had struck, and directed that the case should go back to the Police Magistrate with a direction to convict Hargreaves

?? The Mercury, 26/10/22.

?? Ibid., 1/11/22.
and impose a penalty.\textsuperscript{78}

The A.S.E appealed to the Full Court. The Court upheld that the Wages Board Act of 1980 did not empower the Board to determine hours and that the determination of the E.Z Wages Board dated 16 May 1981 did not prescribe the hours which employees should work. E.Z was ordered to pay Court costs.\textsuperscript{80}

Although defeated in Court E.Z was determined to obtain victory and posted a notice informing all engineering employees to work from 7.40 a.m to 11.55 a.m on Saturday 8 December.\textsuperscript{81} On Tuesday 12 December another notice was posted which read 'Day work engineering employees who disobeyed the Company's order requiring them to work on Saturday morning last are discharged for disobedience ... .' Overall approximately 120 men were dismissed.\textsuperscript{82}

At a mass meeting of A.S.E members Hargreaves read a statement from Gepp which pointed out the severe financial loss facing the men through loss of pay, court appeals and appearances. It must have seemed ironic to the engineers that they were facing severe financial loss

\textsuperscript{78} The World, 10/11/22.
\textsuperscript{80} Ibid., 5/12/22.
\textsuperscript{81} The Mercury, 9/12/22.
\textsuperscript{82} Ibid., 12/12/22.
when some 2 months earlier E.Z had announced a profit of £93,814.83 But if the men were prepared to go back on a 48 hour week Gepp would be pleased, he said, to meet with their representatives. In Hargreaves eyes the engineers had done everything possible to keep the wheels of industry turning without prejudicing their right to work 44 hours, but the company had decided that the laws of the land were not in conformity with their laws and had locked the engineers out.84

The next day, in sympathy with the engineers, the shift engineers and electricians applied for their discharges bringing the total number of engineers out of work to 135. Gepp attempted to play down the seriousness of the situation by claiming that the company was attempting to carry out production as usual. In a speech to a meeting of A.S.E members Hargreaves claimed the Company was attempting to carry on with the assistance of office staff in production tasks. He pointed out the contradiction of office staff, who normally worked 38 hours, being used to defeat men who claimed the right to work 44 hours instead of 48 hours. Hargreaves held that the Company was trying to intimidate and divide the workforce by 'dispensing with the services of a few of the other employees and holding the threat over the

83 Ibid., 11/10/88.
84 The World, 12/12/88.
remainder that their turn might come next.' He charged that when there was a labour shortage E.Z had paid wages over that provided by State Determinations, but that when there was a labour surplus E.Z was paying their workers less and working them longer hours than that provided by many awards and state determinations, despite the fact that with high metal prices they would make a huge profit in the ensuing year.\textsuperscript{85} The World concluded that the opinion of the workers was: 'We have been forced into this by the Company; but now we are in it we will not be forced out of it without securing our objective.'\textsuperscript{86}

The Mercury was naturally critical of the engineers actions. The engineers hours were, it believed, set to secure the greatest efficiency of the plant. When a workman entered the factory he was 'bound by its rules, according to time immemorial.' That is, he was bound by the discipline of the factory and had no right to question such authority. The Mercury believed that the man in the street would not support the A.S.E. as he would be unable to see why the engineers should 'take a holiday on Saturday while hundreds of their fellow workmen are doing their duty to the industry that supports them.' It was, to The Mercury, 'a question of

\textsuperscript{85} Ibid., 13/12/22.

\textsuperscript{86} Ibid., 14/12/22.
discipline and the needs of the industry.'\(^7\) The Mercury described the bond between E.Z and its workers as a moral nexus rather than a cash nexus. This enabled them to shift the argument away from arguments about costs, profits and standards of living into the much more fertile grounds of rights and obligations.

Hargreaves sought a right of reply but The Mercury would not print it until after it had appeared in The World. In his reply Hargreaves sharply criticised The Mercury for not presenting the facts correctly. That paper was 'perhaps read by all the community, and misstatements of fact are apt to mislead the public.' He rejected the claim that the hours a man works are set by custom since time immemorial, by pointing out that the hours of work did change when production techniques became more efficient. He countered The Mercury's assertion that hours are fixed to suit the needs of the industry rather than to suit the convenience of the workers by saying that the convenience of the workers are never taken into consideration when profits are concerned. He concluded by stating that either The Mercury did not know the engineers case or they were biased.\(^8\)

E.Z was confident it would secure victory and the

\(^7\) The Mercury, 13/12/88.

\(^8\) The World, 16/12/88.
engineers would make a move to resume work in the first week of January. The federal body of the A.S.E had already accepted a 48 hour week and placed pressure on the local branch to accept the same. After meetings between the Company and a joint committee of the A.E.U and the Trades Hall Disputes Committee, the members voted to go back to work at a 48 hour week. The Mercury affirmed the virtue of E.Z's management declaring they had 'shown every consideration for the men concerned in the dispute and tried every possible legal expedient before dismissing them.'

The industrial dispute at E.Z was a watershed for the A.E.U and unionism in general at E.Z. It perhaps had a long term weakening effect on the membership of the A.E.U. At the beginning of the industrial dispute in August 1981 the A.E.U had 234 Tasmanian members. At the finish in December 1982 this had risen 342 members. Membership continued to rise in the six months following the strike but by August 1985 had declined to 244 and

88 E.Z. Records, A/11-3, Hutchin to Colleyshaw, Cadburys, 21/12/22. A.O.T.
80 The World, 29/12/22.
81 The Mercury, 30/12/22.
82 A.E.U Reporter, No. 56, August 1921. A.B.L.
83 Ibid., No. 12, December 1922. A.B.L.
84 Ibid., No. 8, August 1925. A.B.L.
by December 1987 was 192. The growth in membership during the industrial dispute and the period afterwards can probably be attributed to the union's high profile. Many more people became aware of the benefits of unionism and were induced to join.

The A.E.U recognised the harmful effects of being covered by both Federal and State awards. National membership declined from 19,453 at the end of 1981 to approximately 1000 less a year later. The federal A.E.U Council believed this decline was caused by employers giving preference to the members of those unions who would work for State awards, which were some 20 less than the A.E.U's Federal award. The result was that A.E.U members could not get work because of the A.E.U award and resigned their union membership as a result. Other members had resigned because their firm was not covered by the Federal Award and they were compelled to work at state rates.

In 1985 George Hargreaves took up a position as a full time A.E.U organiser for Tasmania and country Victoria. Only three years after the A.E.U's industrial dispute at E.Z the union had reached such a low ebb it had

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85 Ibid., December 1987. A.B.L.
86 Ibid., No. 1, Jan. 1924. A.B.L.
87 Ibid., No. 8, August 1925. A.B.L.
difficulty filling the shop stewards position at E.Z. Hargreaves, in his role as union organiser, reported that 'Owing to the attitude of this firm towards our shop stewards it has been a hard job to keep members in the position.' The A.E.U disavowed the Wages Board and refused to allow its members at the Works to become Wages Board representatives. Over the years the federal branch of the A.E.U lodged appeals to have E.Z engineers included under the Federal Awards but were defeated on the grounds of the precedent in 1921/22. The Company was always able to gain exemption on the grounds that the E.Z Wages Board covered all employees. This was a cause of concern to Hargreaves who objected to the Commissioner of the State Board but to no avail. Hargreaves and the local A.E.U president met with E.Z management in 1987 with a view to having the 44 hour week adopted and pay increased. It was decided the case should go to the Arbitration Court. The local branch of the A.E.U held a meeting where 'their common sense and stability have prevailed and ... Hargreaves was given to understand that no trouble was wanted at Risdon.' E.Z believed considerable credit was due to the workers and that the

88 Ibid.


100 A.E.U. Reporter, No. 12, December 1985. A.O.T.
outcome had been most satisfactory. The A.E.U was a spent force. The federal office made various attempts to have the E.Z engineers included in the federal awards, but these attempts appear to have been made without any local support. Its dispute in 1921-22 was the last industrial action to occur at the Works for many years.

Soon after the A.S.E's industrial dispute there was an attempt to establish an E.Z Employees Industrial Union. The union's acting secretary was Charlie Culley, who was also secretary of the Female Confectioners Union. He wrote to Gepp requesting that he meet a deputation from the union for the purpose of permitting an organiser to visit the Works during the dinner hour. Mussen recommended that the organiser should not be allowed to visit the Works as he would be able to wander through the plant and interfere with work. But perhaps more revealing are Mussen’s comments regarding the union. He wrote 'As all wages and overtime are fixed by the Industry Wages Board, and all grievances are dealt within the departments or through the Works Committee as agreed between the Company and its employees, and all Cooperative matters are governed by the Co-operative Council, it is difficult to see any function the Union

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101 E.Z. Records, A/47-2, Meredith to E.Z. Melbourne, 26/7/27. A.O.T.

102 E.Z. Records, A/18-2, Culley to Gepp, 14/7/23. A.O.T.
could usefully undertake. Its sole function under the conditions prevailing at Risdon would be to collect fees from employees to pay the organiser. Obviously if the Company encourages the Union to usurp the functions of the Works Committee, or the Co-operative Council, it would be disloyal to those organisations and its own policy. It is equally clear that the Company could not offer any objection to any employee joining such a union that functions only off the job, any more than the Company could object to employees joining a goose club or a lodge. Mussen believed that E.Z had so completely provided for the workers needs through the Wages Board, Works Committee and Cooperative Council, that a union did not have a role within the Works and could only function outside the Works. Mussen wrote to Culley advising him that the Company was unable to accede to his request. George Mahoney, the Organising Secretary, repeated the request a month later and added '...the members of this union do not wish to come into conflict with your company over my coming on the job.' Nevertheless his request was refused. The Zinc Workers union was active until at least late 1924 when the members met at the Trades Hall to express dissatisfaction at an alleged a new method of medical inspection which classified men into A and B

103 E.Z. Records, A/18-2, Mussen to Secretary E.Z. Melbourne, 19/7/23. A.O.T.

104 E.Z. Records, A/18-2, G.W. Mahoney to Gepp, 29/8/23. A.O.T.
grade, B grade signifying those men whose health had been affected by fumes and were now being dismissed.\textsuperscript{105} It is mentioned again in Hutchin's affidavit against the Australian Builders Labourers Federation in 1986,\textsuperscript{106} but after that there are no further records of its activities. E.Z's refusal to recognise, and thereby legitimise, the union and allow the organiser on site would certainly affected the union's effectiveness and would have influenced the union's demise.

E.Z did take note of the effect of the A.E.U industrial action on their workers. When contemplating welfare publicity E.Z was careful not to suggest that they were using cooperative works in a political way. Gepp recognised that cooperative activities could be used to gain exemption from Wages Board or Court awards but believed the Company must keep its undertaking not to use co-operative activities as an argument for the reduction of wages in the Wages Boards or Courts. He was aware that the raising of co-operative issues in the A.S.E case could have damaged the good relations the Company believed it had with its workers and recognised that 'even now they are likely to be frightened.'\textsuperscript{107} E.Z was

\textsuperscript{105} The Mercury, 26/9/84.

\textsuperscript{106} E.Z. Records, A/40-2, File Industrial Builders Labourers, 1986. A.O.T.

\textsuperscript{107} E.Z. Records, A/17-4, Gepp to Industrial Department, 16/10/83. A.O.T.
conscious of the debt it owed The Mercury for its reporting of the A.S.E dispute. The Mercury had actively collaborated with E.Z to produce articles that supported the Company's actions and were critical of the unions. During the industrial action Gepp or another senior company officer would visit The Mercury and discuss the contents and headlines of articles. Towards the end of the industrial action the newspaper, at the Company's insistence, had refrained from publishing more than the barest reference to the dispute. 'This matter is mentioned, not as an exceptional instance, but to show the usual satisfactory attitude of The Mercury to the Company.'

The articles in The Mercury were unfailingly supportive of E.Z. They generally praised the Company for its generosity in providing co-operative activities and expressed disbelief that workers who were so well treated could possibly want to take industrial action. The paper depicted the Company has having righteousness and the law on its side but the unions were depicted as selfishly jeopardising the Company's and Australia's future, as not being representative of general opinion and as being led by a person who did not represent the unionists interests and were doubtless manipulated by mainland interests.

This would, of course, suit E.Z's industrial policy as it would make the unions appear ungrateful, their cause as

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unwarranted and the leadership as unrepresentative of the union in general. E.Z had no doubts as to the effectiveness of *The Mercury*’s assistance, and we can only speculate on the degree it separated the union leadership from its members and induced a sense of isolation and wrongdoing among the A.E.U members.

There was considerable division amongst the E.Z workforce on the role of unionism, the Works Committee and the Wages Board. E.Z was aware it had a valuable ally in the Works Committee. Hutchin believed that as time passed the Works Committee had become more effective and dealt with fewer complaints. It was in a 'substantially better position than at any other time ...' ¹⁰⁸

The employee members of the Wages Board were to an extent conscious of the tensions between the employees and the Company introduced Works Committee and Wages Board. At a Wages Board meeting in 1985 one of the employees representatives, G.S Carlile, stated ‘.... We have a majority of Works Committee men here and the men look upon the Works Committee with suspicion. If we do not put up a fight on these items the minutes will show it. Charlie Quinn was one of the finest men on the works before he sat on the Board. Today there are only half a dozen men who will speak to him because they believe he

¹⁰⁸ E.Z. Records, A/25-3, Hutchin to E.Z. Melbourne, 22/10/84. A.O.T.
was bought. He and Mr Snow got together and to my idea
did the best they could to fix the wages question.
Notwithstanding that, that man is looked upon with
suspicion.' 110 Obviously there was a belief among many of
the E.Z workers that the Works Committee and Wages Board
were not independent bodies but were overly influenced by
the Company. The employee representatives on the Wages
Board reacted to pressure of this belief so strongly
that, when in agreement with the E.Z representatives,
they felt they had to go through a charade of
disagreement. Ostracism was the price the Wages Board
members could face for appearing to show too much
agreement.

Tensions surrounding the working and role of the Works
Committee, Wages Boards and unions were brought out over
the Australian Workers Union 1927 quest to be included in
federal award and therefore excluded from the E.Z wages
Board. Two members of the Works Committee, Sam Lyden
(first President of the Insurance Society and who
remained so for 17 years) and R.G Anderson had gone to
Melbourne to give evidence that E.Z should be included in
the A.W.U. award. C.C Quinn, who had been a member of the
Works Committee, wrote to The Mercury criticising Lyden
and Anderson’s actions. He believed Lyden and Anderson

110LID 1467/87, 1/40, E.Z. Wages Board 1925, E.Z
Wages Board 9/11/25, A.D.T.
were ignorant of the wages and conditions operating under the Zinc Wages Board which, he asserted, paid higher margins for skill and enabled ordinary men to rise and be paid like tradesmen. He urged the Zincworkers not to support men who, he believed, through ignorance of wages and conditions at E.Z., could do them much harm.\textsuperscript{111}

T.M Jude replied in \textit{The Mercury} to Quinn's letter by stating that Lyden and Anderson had attended a meeting where the A.W.U.\textsuperscript{1}log of claims was read. This would mean higher wages than offered under the E.Z Wages Board and conveyed other benefits such as the 44 hour week on a 96/- basis and 6 hour shifts where the conditions were injurious to health. He believed that the workers always had the right to ask for improvements, to organise a union, and take a legal and constitutional course that the legislature has provided through conciliation and arbitration to obtain these improvements. He invited all workers to become members of the A.W.U. 'None have gone back in any industry we cover ...' \textsuperscript{112}

Sam Lyden alleged that Quinn had been supplied with a transcript of evidence by someone with ulterior motives. 'I am of the opinion that Mr Quinn is in the dark, and that he has been used as a channel of communication for

\textsuperscript{111} \textit{The Mercury}, 16/6/87.

\textsuperscript{112} Ibid., 18/6/87.
some other person who would not sign his name to such a false statement.\footnote{Ibid., 20/6/27.} Presumably he is intimating that this person had connections with E.Z management and that Quinn was merely the Company's voice attempting to discredit the A.W.U's claim. Quinn replied that the actions of a few 'misled by mainlanders' could undo all the good done by the Works Committee. He believed the A.W.U was avowedly against the Wages Board and Works Committee. 'Mr Lyden did his best in court to damage the works committee, and the pamphlet of the union states that the Wages Board and works committee are now entirely unsatisfactory.'\footnote{Ibid., 21/7/27.} Quinn did not realise, or did not acknowledge, that there had been opposition to the E.Z Wages Board from its inception when Jack O'Neill warned unionists of its dangers.

At a meeting held in the Community Hall to discuss all the allegations, the Cooperative Council chairman, T. Mailey, believed the 'efforts of the Wages Board deserve the highest praise.' He thought that: 'If they could do the best they could with the least expense and still preserve the good feeling between employer and employee they were getting on the right track.' He urged the workers to think carefully about any departure from the Works Committee and Wages Board which, he believed, had
been operating very successfully. As Lyden and Anderson
were not at the meeting Quinn had the floor to himself.
He appealed to the workers to have more confidence in the
Wages Board and the Cooperative Council. On the one hand
he emphasised that if the workers were not getting what
they wanted they should put more energy and support into
the matter and strengthen the hands of their
representatives, yet on the other hand he believed it was
management who would get the workers better conditions.
He thought they were getting on well but that they could
'get along better if they put their shoulder to the wheel
without the Trades Hall.' 115 Quinn's faith lay with the
Company triune of the Cooperative Council, Works
Committee and Wages Board. He could not perceive, or
would not say, that the aspirations of the Company and
the workers were not always synonymous.

This point did not go unnoticed by other workers. M.L.
Daly, who had been a employees representative on the
Wages Board in 1985, wrote to The Mercury on the issue of
the Wages Board. He believed Quinn 'spoke convincingly
from his own point of view but all the same the
zincworkers are divided on the issue.' Daly put forward
the view that the workers wages were not gained by the
Wages Board but rather by the employee representatives on
the Wages Board. He described how at the meeting Quinn

115 Ibid., 25/6/87.
had attributed the high wages the zinc workers received from the Wages Boards as being due to 'a gentleman well known to all who put the scheme into operation when the plant was young'. Presumably Quinn was referring to Gepp. Daly believed this credit was misplaced and that few workers recognised the role the employee representatives on the Wages committee had played in defending their wages. He outlined how at the last Wages Board meeting it was the employer representatives who had tried to set wages at 13/6, which was 3d. below the statisticians base rate. The employee representatives moved a higher rate which was rejected. The rate set was the statisticians base rate of 13/9. He wondered how anyone, after hearing this, could suggest 'that the thing is rigged.' Daly obviously found being a Wages Board representative a rewarding experience and concluded 'No one could wish for a greater experience than being a representative for the cell rooms or "Port Arthur" as it is commonly called, and that was my lot for years.'

The final letter to The Mercury belonged to C.R Baker, the Secretary of the Cooperative Council. He appears to have missed Daly's point that it was not the Wages Board that gained the employees their rates of pay but rather the efforts of the employee representatives on the Board. He accused Daly and Lyden of claiming that the results of

116 Ibid., 8/7/27.
the Wages Board were unsatisfactory. He believed, rather, that the Works Committee and Wages Board had achieved high wages and that the results justified the workers sticking to the Works Committee and Wages Board to achieve better things.' He concluded that not a single man at the Works desired the A.W.U Federal Award because not one person had asked for it to be put into operation.\textsuperscript{117} The Federal Court granted E.Z's application for exemption from the A.W.U award.\textsuperscript{118}

Although this debate was argued in the press it does reveal the tensions inherent in the Wages Board system and the mediating effect of the Cooperative Council. It shows two members of the Works Committee displaying dissatisfaction with the Committee they represent and attempting to enrol workers in the A.W.U and gain its award coverage, and it also shows a member of the Wages Board arguing that it was not the operation of the Wages Board itself that guaranteed the workers wages but rather the effectiveness of the employee representatives on the Wages Board in preserving those wages. It revealed the President and Secretary of the Cooperative Council and other members of the Works Committee acting to prop up the workers confidence in the Wages Board and keep the

\textsuperscript{117} Ibid., 5/7/87.

\textsuperscript{118} E.Z. Records, A/47-2, E.Z to Collins House, 18/5/87, A.O.T.
workers under a system that had been sorely tested by the building trades in 1921 and the A.E.U in 1922.

Industrial trouble next surfaced in 1927 when members of the Hobart Waterside Workers Federation (W.W.F) refused to work overtime until their members were given the right to unload the ships at the Risdon wharf. This task had always been performed by E.Z workers. The Federal chairman of the W.W.F claimed the dispute was due to the vexatious delays of the Arbitration Court to hear their claim and the 'studied hostility' of employers to every attempt during the past two years by both the Court and Federation to reach an agreement. He stated that a preference clause was necessary to give industrial peace on the waterfront yet the Court had continually granted exemptions to certain parties with E.Z being one of these parties.

There had been a precursor to this trouble in 1926 when the W.W.F had declared its members should unload the ships at E.Z's private wharf. Two ships at Risdon were declared 'black' but the local branch of the W.W.F was unable to gain the support of the Federal Branch and upon instruction from the General Secretary the local branch lifted the embargo pending the result of an application to the Federal Court.\textsuperscript{118} Gapp in his affidavit for

\textsuperscript{118} T.L.C Minutes, 15/3/26 and 24/4/26. A.L.B.
exclusion from the ambit of the W.W.F. produced arguments which would become familiar to unionists. He argued that to give preference to W.W.F members would involve the dismissal of some 40 workers. This would bring grave difficulties as such dismissals would weaken the whole fabric of industrial relations which the Company, in conjunction with its employees, had been at such pains and expense to build up. The creation of a company town at Lutana had meant that in rush periods the men could be speedily gathered from Lutana to unload the ships. This facility would be unavailable if the company used W.W.F labour which would have to come from Hobart.

Gepp’s affidavit closely resembles the affidavit Hutchin used against the Australian Builders Labourers Federation in 1986.¹²⁰ It enters into considerable detail regarding prior exemptions and concludes that E.Z’s industrial peace had been largely due to the fact that the decisions of the Court’s had enabled the Company to develop a self contained industrial system which had proven itself to be ‘complete, just and efficient.’¹²¹ The Judge agreed with E.Z and dismissed the W.W.F on the grounds they were not complying with the Award in all respects. They were told

they could reapply when the award was strictly adhered to.

The W.W.F's struggle to gain preference on the Risdon wharf is revealing insofar as it shows the extent to which E.Z had become an entrenched and powerful force. It hardly needed to fight its own battles when The Mercury and the state machinery would do that for it. The President of the Chamber of Commerce, W.H Cummins, who was also General Manager of The Mercury, led a deputation to the Labor Premier Lyons. He believed that even though the W.W.F enjoyed high rates of pay and liberal conditions, they 'sought to paralyse the trade and commerce of the chief port of Tasmania'. He knew of waterside workers openly declaring that their object was to close the Zinc Works down.\(^{128}\) The Mercury's editor thought a Mussolini was needed to restore order,\(^{123}\) obviously seeing him as a symbol of strong government. He believed the time would come, sooner or later, when the people of Australia would have to vindicate the principle of Public Order against some of the unionists. These unionists had 'surrendered their better judgement and ceased to see whither they are being led.'\(^{124}\)

\(^{122}\) The Mercury, 21/11/87.

\(^{123}\) Ibid., 1/12/87.

\(^{124}\) Ibid., 23/11/87.
In the meantime the Federal Office of the W.W.F. had declared 'black' any ship that visited Risdon which meant the ship could not be unloaded when it reached its destination port. In the House of Assembly a local member, Mr Sheriden, spoke of how a number of men at the Zinc Works had come to him and asked for the State Government to guarantee that the Zinc Works would continue in production. According to Sheriden the workers at E.Z. did not see why their livelihood should be taken away by the W.W.F. when they believed they were just as good unionists as the W.W.F. The W.W.F would most likely have disagreed with this as there does not appear to be a convincing display of union solidarity on the part of the Zincworkers. Sheriden continued the Tasmanian tradition of blaming circumstances outside Tasmania for Tasmania's woes. He paid a tribute to the waterside workers in Tasmania and objected to an outside body dictating not only to the waterside workers in Tasmania but to the whole of Tasmania.125

The Mercury portrayed the W.W.F as isolated and having received little support or sympathy from other unions.126 It published letters from the public which were far from sympathetic to the W.W.F cause. 'Pro Bono Publico'

125 Ibid., 23/11/87.
126 Ibid., 25/11/87.
believed that if a good leader would come forward people
would volunteer to follow him and combat industrial
trouble 'even if it came to the necessity of arming
ourselves against conspirators who threaten our being
allowed to live.'\textsuperscript{127} One writer called for volunteer
labour to load and unload ships and protect non-union
labour. The writer agreed with 'Pro Bono Publico' that a
body of men should be organised 'and we will soon stop
this nonsense.' In a letter to \textit{The Mercury} on 29 November
a Mr Hestwell offered his services to man vessels and
requested others to do likewise. In a letter to \textit{The Mercury}
the next day he announced he had received many
inquires and a league which would be known as 'Our
Industry Protectors' would shortly be in existence. Its
members would, at the slightest suggestion of a strike,
ext as strikebreakers.\textsuperscript{128}
The strike ended when Judge Beeby informed the W.W.F that
he proposed to completely investigate conditions on the
waterfront but would not do so whilst the W.W.F were
refusing to obey conditions of a prior award.\textsuperscript{129} In his
affidavit Meredith brought out the customary arguments of
the Wages Boards contributing to the industrial peace and
efficiency of the Works and that to remove one section of
the workforce from under this umbrella was 'fraught with

\textsuperscript{127} Ibid., 25/11/27.

\textsuperscript{128} Ibid., 30/11/27.

\textsuperscript{129} Ibid., 8/12/27.
grave danger to the present wages system as a whole and to the efficiency and economic success of the Company.' The case was heard in early 1988 with Mr Morris representing the W.W.F. The case did not go well for the W.W.F with E.Z declaring that 'the occasional interruptions which the Judge made in Mr Morris' address were those that might have well emanated from an advocate appearing for our side.' Beeby declared that as long as E.Z paid its employees weekly rates it should be exempt from giving the W.W.F preferential treatment.

Once E.Z had gained a few exemptions the rest appeared to follow easily. In the years between 1921 and 1932 E.Z gained no fewer than 17 exemptions from federal awards from unions as diverse as the Federated Engine Drivers and Fireman's Association, The Amalgamated Engineering Union, the Amalgamated Society of Carpenters and Joiners, the Builders Labourers Federation, the Australian Timber Workers Federation, the Electrical Trades Union, and the Australian Workers Union.

The Company's affidavits all contain the same core

130 E.Z. Records, A/47-3, Affidavit of Meredith versus the W.W.F. A.O.T.

131 E.Z. Records, A/54-3, E.Z to Collins House, 30/1/88. A.O.T.

132 E.Z. Records, A/67-1, Note Re Working Hours-Engineers. A.O.T.
arguments and information, such as that of A.W. Hutchin against the Builder’s Labourers Federation in 1926. The affidavit begins with statistics on the scale of production and emphasises that the zinc is manufactured in competition with producers in other parts of the world and that 80% of the zinc produced at Risdon is exported. Further evidence on the value of the works was ‘The position of the Commonwealth of Australia and of the British Empire has been made more self contained in that metallic and chemical products which are vital in the event of war are now manufactured within the Empire and these works have therefore great importance in respect to their value to the Empire.’ The affidavit then goes into great detail on the composition and decisions of the Electrolytic Zinc Wages Board in order to prove that ‘throughout the whole of the periods covered by all these determinations the productive operations of the Company have been steadily conducted without interruption by industrial disputes.’ The affidavit gives considerable emphasis to the fact that E.Z has been granted exemption from all federal awards except in the case of the engineers in 1921, when the court varied the award to give E.Z exemption. It quotes at length from the decisions, mentioning that ‘one of the members of the claimant organisation had taken a very prominent part in establishing the Board’ and the potentially disruptive effects of having two awards covering the workforce. To
further reinforce E.Z’s case for exemption, the affidavit gives quotations from many of the other exemption cases including an Australian Builders Labourers Federation case where Sir John Quick outlines the precedents set in other cases and in his judgement declares ‘The company made out a very strong case in its affidavit to the effect that it had secured those consolidated industrial conditions set out in the exhibit presented to the Court under Tasmanian law. They are working harmoniously with their employees, local committees working with the management, no unrest and no disturbance. Everything is going on quietly and smoothly.’ The affidavit then emphasises the small number of men employed as builders labourers, approximately 25 men out of a workforce of some 1100 workers, and that ‘these persons if they belong to any union at all are members of the Zinc Workers Industrial Union’ and the B.L.F therefore has no authority to speak for them. The affidavit concludes that ‘The history of the Company has been one of industrial peace and achievement. production has not ceased for one minute ... These results are largely due to the fact that the industry has, by the decisions, and with the approval of this Honorable Court been permitted to develop a self contained industrial system which has proven during the past six years that it is complete, just and
efficient.' All affidavits emphasised the importance of E.Z as an industry, the role of the Wages Board in producing industrial peace, the large number of exemptions E.Z. had gained from federal awards, the small number of men employed in the offending vocation and that the claimant union has no right to represent these employees as the Zinc Workers Industrial Union is the most appropriate union for all E.Z employees. This formula succeeded in E.Z. obtaining exemptions from federal awards for many years.

Although E.Z gained many exemptions from Federal Awards, there were times when these awards were much more beneficial to the Company, which then sought to obtain a flow on judgement. As mentioned, E.Z fought many bitter battles to keep its workers under the state Wages Board. Under these awards the employees could not gain any flow on from Federal Awards. Any changes in wage rates or hour of work had to be taken before the Wages Board and argued on its own merits. The employees were to struggle for many years to gain exemption from federal awards yet, when it wished to, E.Z was sometimes able through the Wages Board to replicate a federal award that suited its interests. Such a circumstance occurred in 1931 when, in the light of the depressed economic conditions and

133 E.Z. Records, A/40-2, Affidavit of A.W Hutchin versus the Australian Builders Labourers Federation, 1926. A.O.T.
falling company profits, the Federal Arbitration Court ordered a 10% reduction in wages. Impressed by this decision, and mindful of the general fall in the cost of living figures upon which the Wages Board based its decision, E.Z sought the same reduction in wages. Arguing E.Z's case Hutchin stated '... Now we have come to the time when economic conditions will not permit the maintenance of what has been built up. It is common knowledge that unemployment has been growing as a result of the times, and it is feared that civil disturbance will follow ...'.

There was considerable argument over the method of setting the base rate. The employee representatives did not believe that the workers should have to accept a reduction under Arbitration Court awards when they had been working under the Wages Board awards. One of the employee representatives, G.S Carlile, said he quite realised the price of zinc had dropped, and since the Company had been used to making large profits it was not very pleasant to receive small profits. He pointed out the contradiction that when he had spoken of the prosperity of the zinc industry at previous meetings, Hutchin had informed him this could not be taken as the

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\[134\] LID 269/41-3, E.Z Wages Board, Notes of Meeting, 5/2/31, p. 3. A.O.T.
reason for a higher rate of pay. The workers' representatives had also tried to obtain higher wages on the basis that the workers at E.Z were liable to be affected by carbon monoxide poisoning. This argument was rejected by the Chairman on the basis that the Certifying Officer of the Occupational Diseases Relief Board had declared E.Z free from occupational diseases.

In the 1931 hearing the Chairman fixed the rate at 13/- and threw the forum open on discussion about further wage reductions. The employee representatives argued that they had not shared in the firm's prosperity, they should not have to pay for its worsened situation. They believed the workers were being asked to sacrifice another 10% so that E.Z could pay dividends. The employer representatives countered that the workers' cooperation was necessary for the continuation of the industry, and that if the industry did not exist the workers would not have jobs. The employee representatives, however, did not believe the Company's financial circumstances were as difficult as its representatives had claimed and declared '... the Company should put its cards on the table. It has always boasted the spirit of fairness, and now is the time for it to apply.' Hutchin responded to this by

135 Ibid., p. 4.
136 Ibid., p. 7.
137 Ibid., p. 11.
saying '... In the past the Company has tried to do the decent thing, although it is said the employees of the industry have not shared in the prosperity. They have shared in it.' Gepp had said some years earlier that 'co-operative activities ... represent the best form of prosperity sharing ...' and this was probably Hutchin's interpretation of prosperity sharing as well. The employee representatives objected to Hutchin's remark that they had shared in the prosperity of the Company and forced him to withdraw it. Hutchin continued to affirm to the employee representatives that they had shared in the Company's prosperity by receiving good pay and continuity of employment. The employee representatives then sought concrete evidence of the Company's financial situation. Hutchin said that if the figures of costs were produced the employees would not be able to understand them, to which the employee representative Peck countered that if the figures were not available the employees did not have the opportunity. The employees moved for a 5% reduction to be reviewed in a year. Voting was even on the motion.

At the next meeting held a week later, G.S. Carlile suggested profit sharing, which Hutchin refused to accede saying he did not have the authority to authorise profit

138 Ibid., p. 11.

139 E.Z. Records, A/17-4, Gepp to Industrial Department, 16/10/83. A.O.T.
sharing. Using his casting vote the chairman defeated the
motion suggesting a 5% reduction, and decided in favour
of Hutchin's amendment that wages be decreased by 10%.140
In this manner E.Z. without providing any concrete
evidence of the economic duress it was under, was able to
impose a 10% wage reduction on its employees. The
argument was never about the wages increasing or even
remaining static, but about the extent of the reduction.
Judge Beeby of the Federal Arbitration Court stated that
the Tasmanian Wages Boards had done more than any other
State Tribunal to follow the lead of the Federal Court in
reducing wage standards.141 With an equal number of
employee and employer representatives on the Board the
casting vote would quite often be tied and the decision left
in the hands of the Chairman. Usually the Chairman, as in
this case, would hand down a decision that was favourable
to the Company.

The Company faced a new industrial crisis in 1936
when it seemed certain that the zincworkers were to
finally get the 44 hour week. The day workers were to
work 8 hours a day from Monday to Friday and 4 hours on
Saturday. The shift workers had previously worked a 48
hour week comprising 6 shifts of 8 hours with 30 minutes

A.O.T.

141 Heyward, op. cit. p. 111.
paid 'crib' time making total of 7 hours 30 minutes actually spent working each day. They were now to work 6 shifts of 7 hours 20 minutes with an extended 'crib' time of 40 minutes, but this was to be deducted from the daily hours worked and was not paid.\(^{142}\) The shift workers were therefore paid less but were at the Works for the same period of time.

More than 300 day shift workers held a brief morning strike on the 9 July 1936 over their dissatisfaction with the Wages Board Determination.\(^{143}\) They did so in spite of a notice warning employees that under the terms of their employment any union or member of a union should not 'counsel, take part in, support or assist directly or indirectly any strike on account of any matter in respect of which a Board has made a determination.' The penalty for individuals was £20 and for organisations £500.\(^{144}\) A further meeting of more than 300 Zincworkers was held on the 13 July. The day workers felt that if they still had to work on Saturdays it defeated the purpose of the claim, which was to give them more recreation time. The employee representatives on the Wages Board claimed that the chairman of the Wages Board had made the decision on the way the hours were to be worked. The meeting agreed

\(^{142}\) The Mercury, 8/7/36.

\(^{143}\) Ibid., 10/7/36.

\(^{144}\) E.Z. Records, A/89-2, Notice No. 647, 9/7/36. A.O.T.
that the Wages Board should be asked to sit again and that a union be formed for day and shift workers. An amendment that a branch of the A.W.U be formed was overwhelmingly defeated.145

The Zinc Workers Union (Z.W.U) organised quickly. Edmund Brooker M.H.A agreed to act as organising secretary, a position he filled for many years.146 The organising committee received signed application for membership from 598, or approximately 90% of shift workers. Heartened by the amount of support the organising committee recommended that the union be formed. Membership was open to all zincworkers including tradesmen though they were urged to join the union of their calling.147 The union was to be run by a Management Committee comprising two representatives from each of eight divisions within the plant.148 Its main objectives were the attainment of better working conditions for its members; the shortening of the hours of work without a decrease in wages; the protection of its individual members in any unwarranted dispute with the Company and any other matters which may

145 The Mercury, 14/7/36.
146 Zinc Workers Union Minutes, 13/7/36. F.I.A.
147 Ibid., 20/8/36.
148 Zinc Workers Union Organising Committee, 17/7/36. F.I.A.
be conducive to the welfare of the members.\textsuperscript{149}

At a Z.W.U meeting in November 1936 the union congratulated the Company on its financial success and urged it to repay its workers with shorter hours. The workers wanted a 44 hour week with 11 x 8 hour shifts a fortnight for shift workers and a 5 day week for day workers.\textsuperscript{150} The union succeeded in having the Zinc Wages Board reconvene. After sitting the Board announced that the old arrangement of working 8 hour shifts with paid cribtime would be adopted but with 11 shifts instead of 12 per fortnight. The day workers still had to work 6 days per week\textsuperscript{151} because the Chairman of the Wages Board did not believe the Board had the power to grant a 5 day week. The union protested\textsuperscript{152} but the decision was not altered.

The Unions' next victory in May 1937 was to secure a bonus that was dependent upon the price of zinc. At a meeting of the Z.W.U's Wages Board Committee it was decided that they should claim a 24/- bonus per week when the price of zinc was between £25 and £35 per ton and a

\textsuperscript{149} Zinc Workers Union Objective, Constitution and Rules. 1943. F.I.A.

\textsuperscript{150} The Mercury, 4/11/36.

\textsuperscript{151} Ibid., 1/12/36.

\textsuperscript{152} Zinc Workers Union Monthly Meeting, 7/12/36. F.I.A.
further 10/- bonus per week for every £5 per ton over the price of £35. Their line of argument was that the Company had already accepted the principle of payment relative to the price of metal and profit and that, as the price of zinc had risen from £9 10/- per ton in 1931 to £40 per ton in 1937 and profit had increased accordingly, the workers should receive a share in the profits. The union did not manage to have the Company accept this scheme but accepted a less generous offer from E.Z which still gave fairly substantial wage increases. The bonus was paid during of the annual holidays and operated on the assumption that every employee receiving the adult basic wage or more would receive, for every each shift of 8 hours, 2d. a day for every £1 rise in the price of zinc over £15 per ton. There were a number of exceptions attached to the metal bonus. It was not paid for any period lost through sickness, accident or any other cause. E.Z attempted to buy industrial peace with a clause that the bonus would automatically cease in the event of any strike or stopwork meeting and to hold weekly wages down with a proviso that the employees were not to seek a Wages Board meeting prior to 15 December 1938 without the consent of management.

153 Minute Book of Meetings of Z.W.U., Minutes of Wages Board Committee, 30/3/37. F.I.A.

154 The Mercury, 7/5/37.
The bonus system was to have its share of controversy. Prior to the implementation of the metal bonus there had been a 'prosperity bonus. At Christmas 1936 staff, who were the non-daily paid employees, received a prosperity bonus of 10% and the employees 2 1/2%. In 1937 the staff received a bonus of 7 1/2% less metal bonus paid. The workers did not receive the prosperity bonus as they had the metal bonus. The payment of a bonus only to the staff raised some friction amongst the workers who believed they too should receive the bonus. They pointed out that a record profit in 1937 had enabled the Company to pay a dividend of 15%, and although there had been wage restorations since the enforced 10% wage cut of 1931, workers' wages had not reached pre-1931 levels. E.Z argued that for a number of years the company has been paying a prosperity bonus which it claimed had offset the wage reductions of 1931. Furthermore the Company argued it was now paying another prosperity bonus in the form of the metal bonus, and that the workers had received wage increases equivalent to 8.8% for the year whereas the staff's only increase had been in the form of the bonus. In spite of these reasons the Company agreed to backdate the bonus, giving each worker the equivalent of £5/17/4.

The metal bonus was paid until 1941 when it was superseded by an industry allowance, which paid 10/- per week to shift workers and 11/- to those who worked a 5
1/2 day week. This was supplemented by a another prosperity bonus in 1948 which was based on the prosperity of the Company as measured by the dividend paid to shareholders. There were sections of the bonus which discouraged absenteeism by reducing the bonus by a set amount for each day of absence. The terms of the bonus dictated that 'In the event of any go-slow strike or refusal to work reasonable or necessary overtime or other action by a section or all of the employees restricting production ... the employees so acting will be debarred from participating in the next succeeding bonus distribution ... If any union should call out employees, members of that union will be debarred from participating in the bonus. Decision on this matter rests with the Company.'

The bonuses were the result of many years of employee agitation through the unions and Wages Board to convince E.Z. that the Co-operative activities, basic wage and continuity of employment were not a sufficient share in the Company's prosperity. The bonus did not come without strings attached. It tried to reduce absenteeism by reducing the bonus for every day away from work, and tried to hold wages constant by having the workers agree not to request a sitting of the Wages Board before a specified time. The terms with the greatest impact were

those that threatened the withdrawal of the bonus if any industrial action should occur. As the decision on the withdrawal of the bonus rested with the Company there would be no court of appeal. The various bonuses represented a considerable amount of money to the workers and to risk such a sum would require a very significant issue. The effect of the bonus was for E.Z to pay the workers more money and to buy industrial peace.

Membership of the Z.W.U rose quite quickly from 680 in late December 1936\textsuperscript{156} to 812 in mid 1937.\textsuperscript{157} It carried on the everyday workings of a union cajoling or forcing men, through the threat of black banning, to join the Union\textsuperscript{158} and preparing demands on the Company. In its first annual report the Z.W.U reported that members would be pleased ' ... with the support that has been given - through the Union - to industrial welfare as a whole; and particularly to the feeling of harmony which is known to exist at the Works as a direct result of the actions of the Union.'\textsuperscript{159} There were still undercurrents of dissatisfaction with the workings of the Wages Board and Works Committee. At a meeting of the Z.W.U it was reported that 'disparaging remarks had been made against

\textsuperscript{156} Zinc Workers Monthly Meeting, 7/12/36. F.I.A.
\textsuperscript{157} Ibid., 5/7/37.
\textsuperscript{158} Zinc Workers Management Committee, 24/5/37.
\textsuperscript{159} The Z.W.U. First Annual Report, 20/9/37. F.I.A.
the members of the Wages Board.’ Although a motion of full confidence in the workers representatives was passed\(^{160}\) it does indicate that there was still scepticism as to the impartiality of the Wages Board by at least some workers. At a Z.W.U meeting in July 1937 it was moved that the members of the Works Committee be requested to resign. After discussion it was instead decided that the Union Management Committee should appoint a sub-committee to investigate the possibility of altering the Works Committee constitution.\(^{161}\) The Union then attempted to usurp the role of the Works Committee by informing the Company that ‘... all industrial matters affecting the employees must first be submitted to the Union, or they will be ignored.’\(^{162}\) It was trying to regain from the Works Committee the ground that traditionally had been that of the unions. The Union sub-committee appointed to examine the Works Committee constitution recommended that a ballot should be taken as to determine whether the Works Committee should continue.\(^{163}\) In the ballot 318 workers voted for the continuance of the Works Committee whilst 278 voted

\(^{160}\) Z.W.U. Notes of Meeting, 6/5/37.

\(^{161}\) Z.W.U. Meeting, 5/7/37.

\(^{162}\) Minutes of Meetings of Z.W.U., Minutes Monthly Meeting, 2/8/37.

\(^{163}\) Minute Book of Meetings of Z.W.U., Meeting Works Committee Constitution Sub-Committee, 9/8/37. A.O.T.
against its retention. The Z.W.U attempted to make another incursion into the Works Committee by proposing that the Union Secretary should attend Works Committee meetings. The Works Committee refused on the grounds the proposal was unconstitutional, but reported that steps were being taken to remodel its constitution. The records do not indicate whether any remodelling took place. The issue of the role and effectiveness of the Works Committee did not disappear. In 1948 a ballot of union members decided Z.W.U members should not act as representatives on the Works Committee. All Z.W.U members were instructed to resign from the Works Committee.

In 1938 the Z.W.U became concerned with industrial health problems that were attributable to working conditions at the plant, and urged that sufferers should be fully compensated for their loss of health and earning power. At the union’s instigation a governmental committee investigated occupational health and many were optimistic that the Occupational Diseases Act would be widened to include E.Z. The union officials were of the opinion that only a drastic shortening of the hours of work, to allow members the opportunity of physical and health giving

154 Ibid., Monthly Meeting, 8/11/37.
155 Ibid., Monthly Meeting, 7/3/38.
156 Executive Committee, Management Committee, and Wages Board Minute Book 1942-, Executive Committee, 22/6/48. F.I.A.
exercise away from the Works, would overcome this disability.  

These matters came to a head in 1939 when Zinc Wages Board was convened. The employee representatives hoped to gain a 40 hour 5 day week, instead of 11 x 8 hour shifts per fortnight, and a 10% rise in the basic rate. The employees case was based on the assertion that the heavily automated state of the industry made a 5 day week, technologically possible, that E.Z made profits amounting to £604,524 in 1937/38 and £536,613 in 1936/37 and was therefore in a financially sound position and able to weather these expenses, that the 40 hour week would relieve the unemployment problem by enabling an extra 50 men to be employed at the Works at only minor expense to the Company, and that working at E.Z had serious effects upon the workers health which could be relieved by a shorter working week. The Wages Board voted on the proposal but was deadlocked. The Chairman, Colonel J.P Clerk, believed the technology could support a 5 day week but was uncertain of the validity of the other assertions. He therefore went on a tour of the plant and interviewed workers and E.Z management to gain a clearer picture of the problem.  

157 Minute Book of Minutes of Zinc Workers Union 13/7/36-. The Z.W.U Second Annual Report, 3/10/38. F.I.A.  

The worker's evidence on working conditions at E.Z provide a graphic illustration of nature of the work at the plant. The cell rooms had for long been known as Port Arthur and the pre roasting area as Hells Half Acre. Samuel Stanley Brown, who worked in the Cooling Towers, gave evidence that although oilskin, overcoat, cap and clogs were issued to go into the Tower, a solution of zinc still got onto the skin causing sulphate sores. He believed these were unavoidable and had not seen a man come out of the cooling towers without sores. When he bathed he was forced to use soda ash to get the solution off his skin which was most unpleasant. Although the workers were able to report to the ambulance to have the sores dressed, they throbbed for over a week and prevented a person from sleeping. The sores could last for over 3 weeks. The Company tried to minimise the impact of such evidence and illustrate their goodwill towards the workers by claiming that the incidence of sores had decreased in the time since the Works had opened and that the workers were given time to bathe and wash. The workers contended sick pay had not been claimed by the affected men because it only amounted to 43/- a week for a married man and 25/- a week for a single man. On this amount a man could not afford to go off and as a

consequence continued to work with the pain and discomfort of the sores.

In the cell room the men inhaled harmful fumes causing soreness of the nose and throat. The Cobalt Plant operator gave evidence that the red oxide from this part of the plant got into his clothing and body. It then exuded from his skin onto his underclothing, pyjamas and bed linen even after a period of absence from the Works. When the oxide got into his boots it caused the skin to peel from his toes. A man from the Cadmium Plant claimed that the fumes irritated his nose and throat causing coughing, spitting and nose bleeding whilst on the job and at home. Although he wore a respirator after working for some time his teeth became black and the men were subject to green coloured sores on the body. At the Superphosphate Plant evidence was tendered that at times the sulphuric acid was very strong and caused indigestion, gastric trouble and nose bleeding. The Company contended that it had attempted to control these working conditions by spending £17,000, by subsidising the Company medical officer and by granting a shorter working week. Norman Cooper, who was President of the Z.W.U and an employee representative on the Wages Board, accused the Company of window dressing for the Chairman’s tour. Hutchin countered by asserting that the Company’s reputation was not sufficiently evil to deter people from
applying to work at E.Z. Norman Cooper riposted that people out of work had to get work somewhere.\textsuperscript{170} Tasmania has traditionally and continues to this day to have the highest unemployment rate in Australia. The large number of relatively unskilled jobs available at E.Z would have made it a prominent and attractive employer. Tasmania has usually had a sufficiently large reserve army of labour to ensure competition for jobs.

The employees representatives arguments were similar to those used to oppose the 10\% wage reduction in 1931. They argued that as the law had compelled the workers to accept a 10\% wage reduction in 1930/31, then the law should compel the Company to share its profits with the worker's and although the workers received a metal bonus from the Company it was received as a right rather than through the Company's benevolence. E.Z had voluntarily restored the 10\% in 1933, and in its defence the Australian Mines and Metals advocate, O.W. Hewkin, argued 'It was not entirely a matter of expediency. We promised our people that when things got better we would do so.' and forwarded evidence of the Christmas and metal bonus as evidence of the Company's sincerity.\textsuperscript{171}

In his decision the Wages Board Chairman, Colonel J.P

\textsuperscript{170} Ibid.

\textsuperscript{171} Ibid.
Clark, quoted Gepp regarding the leaders of industry duty to society. He wrote 'The leaders of industry and commerce and finance have never yet realised their duty to society. They have thought too much and too long of financial results of scientific material improvement. They have forgotten .... that the greater their job and their position the greater their responsibility for social duty and performance.' He believed many workers endured discomfort in the performance of their jobs 'although I was only in the Cell Room for about one hour or more, I personally experienced discomfort and could see with the naked eye in the sunlight fumes or vapour rising from the Electrolytic Cells which contain a solution.' He noted that E.Z had recorded a profit for the prior three years and was therefore in a sound financial position. With these facts in mind he awarded day workers a 44 hour week over 5 days because he believed their health was not in as much risk as shift workers whom he awarded a 40 hour week over 5 days. He refused the 10% increase in the base rate on the grounds that although the workers had been forced to undergo a 10% wage reduction in 1931 the metal bonus had been fair recompense.172

In the years between 1918 and 1939 E.Z did not lose a

single days production in spite of paying generally paying lower wages than those specified in federal awards and having dirty and dangerous working conditions. The reason for the lack on industrial action on the part of the workers can be explained by the labour management structure put in place by E.Z and the state to manage E.Z's work force. E.Z implemented an Industrial Department, which was a Company run interface between the Cooperative Council and Works Committee, to formulate policy on wages, working conditions and cooperative activities. In short its function was to manage the labour force. The Cooperative Council, a joint worker/management committee whose role was to manage the company's trading activities, sometimes stepped outside this domain and acted as the Company's mouthpiece. In the A.W.U's 1987 attempt to gain coverage under a federal award both the Council president and secretary voiced the virtues of the Works Committee and Wages Board and urged the workers not to support the A.W.U. The Works Committee was a joint management/worker committee whose function it was to assist the cooperation of employees with the Company, and discuss all matters relating to working conditions and industrial matters. This body was viewed ambivalently by the employees. George Hargreaves believed its employee representatives were intimidated by management and, in the arguments surrounding the A.W.U's 1987 attempt to gain federal award coverage, there was
some doubt cast on the credibility of the Works Committee's decisions intimating that it was overly influenced by the Company. E.Z did appear to intimidate it and, in the 1981 builders and painters dispute, went beyond its own stated principle of consultation to convene the Works Committee and instruct it that any employee not obeying the Company's decision would be dismissed. A union would often express its distaste of the Works Committee by requesting its members to resign from it. The Z.W.U certainly took this stance in times of dispute.

The state also intervened in E.Z's industrial relations. Premier Lee directly intervened in the builders and painters dispute in 1981 to change the legislation and effectively legislate the dispute out of existence. State organisation in the form of the police were called to the S.S Leura in 1981 to arrest striking crew members on a charge of desertion. The most frequent form of state intervention, however, was in the guise of the E.Z Wages Board. This Board, which comprised equal numbers of employer and employee representatives, was viewed with disdain by some of the E.Z workforce, who believed it too was overly influenced by the Company. A number of the unions found the Wages Board distasteful as it often awarded lower wages than federal awards, and could fine unions and individual members who struck in the face of
its determinations. Unions who went to the federal Arbitration Court to gain exemption from the Wages Board often found that a union member sitting on the Board was taken by the Court as the union participating in the Wages Board decision making process, and was a contributing factor towards the union losing the case. For this reason some unions, such as the A.E.U, ordered their members not to sit on the Board. All this, however, was inconsequential because once the federal Arbitration Court had rejected the A.E.U's claim for exemption from the Wages Board, this was taken as a legal precedent and grounds for the rejection of many more claims.

The consequence of the combination of the Cooperative Council, Works Committee and Wages Board was, as Mussen had noted in relation to the Zinc Workers Industrial Union, was to take the ground that had traditionally been occupied by unions. Any potential points of cooperation between E.Z and the union were dealt with by the Cooperative Council, the Works Committee dealt with grievances and the Wages Board with wages. After the defeat of a number of union claims for exemption from the Wages Board, it would have appeared obvious to the workers that if their union could not get them coverage under a federal award, and the Cooperative Council, Works Committee and Wages Board could cater for their other
needs, then there was little point in belonging to the union. The A.E.U, A.W.U, and Zinc Workers Industrial Union all had difficulty enrolling workers and retaining the interest of those who did enrol. The Z.W.U did not have the same difficulty securing members, and is a testament to the success of E.Z’s policy of worker integration that the workers formed a union based around the Works. The workers rejected calls to form a branch of the A.W.U and in doing this implicitly stated that they did not identify with any workers or issues other than those based at E.Z. As time progressed union claims for exemption did not come from the E.Z branches of unions but from the federal branches. These appear to have gained a minimal amount of support from the workers at E.Z, although this was likely to have been a pragmatic acceptance of fact the exemption would fail. E.Z and the state had implemented such a comprehensive labour management structure that it appeared pointless to struggle against it.