It is not true that time heals all wounds. Some wounds linger on until the wounded die and their pain is forgotten. A generation of Australians harboured searing memories of the 1890s depression – of hunger, cold, bewilderment, humiliation and fear. But they are gone now, and their memories with them. If the depression is remembered at all, it is for the bank crashes of 1893, which produced panic among the propertied class. The working people and the unemployed who felt the chill most severely left few written records. Here, as in so many other areas of Australian life, the privilege of being remembered, being included in ‘history’, has been open to only a few.

But why would anyone want to re-live the sufferings of a dead generation? Perhaps because so many of the institutions we take for granted began as attempts to do something about the effects of the 1890s crisis. Federation, state welfare, arbitration and the rise of the Labor Party all date back to that time. The crisis also ushered in profound changes in family life. As earlier chapters have discussed, the 1890s marked the beginning of the trend towards smaller families, with all that it implies for the way that people organize their lives. If the memory of the 1890s has gone, its legacy is still with us.

The crash that took place in the early 1890s was not just a temporary down-turn. It brought a long period of sustained and rapid economic growth to an end and ushered in an equally long period of relative stagnation that was only broken after the Second World War. It involved large shifts in the structure of the economy. The best way to make sense of all these changes is to
look at how they affected the lives of some of the people who lived through them.

Our scene is set in a Melbourne cake and biscuit factory. This was a very modern enterprise for its time. The factory-owner, T. B. Guest, had installed 'travelling ovens' that carried a stream of biscuits and cakes through on a continuous belt. Most of the work was repetitive and light: at one end the dough was set out ready for the oven, and at the other the cooked biscuits were picked up by hand (sometimes at the cost of a burnt finger) and packed into tins ready to be despatched. Women and girls iced and packed the cakes and fancy biscuits, but young boys made up most of the factory's workforce.

Before the depression, Guest's had great difficulty in holding on to its young workers. In 1888–9, most new arrivals left within a month; though the wages were not bad, the heat and the intensity of the work were enough to drive them away. They would arrive singly or in pairs – brothers, sisters, neighbours – stay for a short time, then move on.

Those who stayed longer could expect regular wage increases; they might even become leading hands, or eventually run a section of the works. A few lucky boys would be initiated into the mysteries of mixing and blending ingredients according to the firm's time-tried recipes. Guest kept these recipes close to his chest; he had probably become wary after his former foreman, a man by the name of Brockhoff, had left to become one of his main competitors.

Many of the other senior employees, however – the foremen, salesmen, clerical staff, stable hands and engineers – had logged up decades of experience with the firm. They knew its workings inside out, and Guest knew that he needed them around. They were paid well, with wages ranging from about forty-two shillings to seventy-five shillings a week (at a time when the standard wage for an unskilled man was around thirty-six shillings a week). They were also given many extra privileges, such as paid holidays and sick leave. Together they formed the trusted core of the factory workforce.

The young workers were a different matter. A fight would break out among the boys, and within minutes the air would be thick with flying biscuits or lumps of sticky dough. Others would try to sneak out with their pockets full of biscuits, or throw a box to a friend waiting in the lane. Others would give the foreman or
The spectre of want – a relief depot in South Melbourne during the worst of the 1890s depression.

forewoman cheek. It was a standing custom that most of the hands knocked off half an hour before closing time so that the men at the back of the oven, who were last on the line, could get away by five o'clock. And it was the devil's own job to get them to turn up to work on time.

Things began to change during 1889. It became difficult to find work around Melbourne and indeed throughout the colonies. For five years there were retrenchments almost everywhere. All the colonial governments ran short on funds, and public employment was cut. The building industry collapsed, and manufacturers were hard pressed. In May 1893, there was a wave of bank crashes and, as the banks at that time issued their own notes, about half of the colonies' paper money became practically worthless for some time.
Every day brought news of more bankruptcies, including many of the prominent citizens who had been speculating in land during the boom.

By the winter of 1894, close to a third of the Australian workforce was unemployed. The daily round searching for work that was not there, the shame of sending children to school barefoot, the humiliation of asking for charity hand-outs – all became a way of life from the inner suburbs to the outback, from the country towns to the stricken mining communities of Newcastle and Broken Hill. When the Victorian government opened relief works in the winter of 1892, applicants flooded in, each with his own tale of woe – the Brunswick painting contractor, out of work for six months, with a wife, four children, a sister and mother to support; the clerk with three young children from the respectable suburb of Albert Park who scraped by for a full year before swallowing his pride and applying for relief; the former gasworks labourer whose family of eight had gone four months with only one child at work earning ten shillings a week. Reading the register of names, one cannot help noticing that the clerks who kept the lists made detailed notes about the applicants at first – ‘strong man’; ‘likely’; ‘very desirous’. But as the weeks wore on and the misery accumulated beyond endurance, the comments became fewer; in this mass of suffering, the individual’s qualities were of little moment.

Poverty was not the only problem. The industries that were worst hit – pastoralism, building and railway construction – had all employed large numbers of adult men. In manufacturing, too, the small workshops that employed craftsmen to produce high-quality goods were eclipsed by larger factories employing young people, women and unskilled workers on low wages to produce cheap goods for price-conscious buyers. The accepted order of things, with the man as breadwinner and head of the household, was undermined. Many men found it impossible to adjust to their new situation. They fled to the country, or to the Western Australian goldfields, leaving their families behind to manage as best they could. Some of the young workers at factories such as Guest’s were the only members of their households getting any income at all.

Increasingly, the bosses had the whip-hand over their workers. The trade union movement was in complete disarray. Between 1890 and 1894, there had been a number of large strikes – by maritime workers, shearers, miners and the urban manufacturing unions. All were won by the employers. With endless numbers of
The MacRobertson factory workforce before the 1890s depression was predominantly male.

unemployed ready to take anything they were offered, it was not a good time to get a reputation as a trouble-maker.

Fortunately, Guest hadn’t taken part in the land speculation; he’d learnt his lesson after being caught in a similar bust in the late 1860s. But his prices were being undercut by other firms, and biscuits were a luxury that many families had to cut out when they fell on hard times. Between 1891 and 1893 his income fell by two-thirds. Facing fierce competition for a dwindling market, he needed to cut costs. So he set out to economize and to raise the factory’s productivity.

This was a complicated business. The old hands probably didn’t notice much for a while, as it was the younger, casual workers who were affected first. During 1889, a large number of the boys in the packing room were fined for pilfering. In the female section, the forewoman was paid to body-search the employees before they left. From the middle of 1890 there was also a blitz on late arrivals, and offenders had their pay docked.

Guest, his managers and foremen started prowling around the works singling out workers they considered slow, careless or ill-disciplined. The company’s wages books for the early 1890s were dotted with notes written in an authoritative hand, often in red ink: ‘Not wanted’; ‘impudent, lazy and breaking the cutters, hit-
ing small boys'; 'Foote, Robinson dissatisfied, grumbling &c - cleared them out 23/9/90'; 'One (1) oven working - dismissed all hands of no use'. To drop a tray of biscuits or damage any equipment by accident was a guarantee of the sack. From a peak of 135 workers in March 1890, the factory was down to a hundred in September; numbers went up for the Christmas rush, then fell again. Eventually, by the middle of 1894, there were only seventy-eight people on the books.

The hard times gave Guest an opportunity to get rid of some of his excess stock. In June 1892 he donated two tons of biscuits for the relief of those in distress, writing to the Herald to make sure his charitable act gained the recognition it deserved. His generosity, however, was less obvious inside the factory door. In September 1892, he cut the wages for new recruits – the bakehouse hands went from ten shillings a week to seven shillings and sixpence, and packers from nine shillings to seven shillings. By October he had begun to ration work. At first the factory worked half an hour short each day, then most of the hands were put on a four-day week. From Melbourne Cup week until Easter was a busy time, as usual, but from May 1893 the factory was back on a four or five-day week. Working time was badly broken until late in 1895 and, even after that, work was rationed in winter. Very few of the employees escaped the effects. The exceptions were the office staff, the engineers, stable-hands, travellers and foremen – in other words, the 'old hands' whom Guest could not afford to lose.

Savings were made in other ways. There were no more regular wage rises. It was common for young workers to stay with the firm for up to two years at their starting wage of seven shillings and sixpence, which meant they only took five shillings home when they were on short time. This would hardly pay for their food and

The number of female workers at the MacRobertson factory increased after the 1890s depression.
room, let alone leave anything over. When senior hands left, others had to take over their work without any extra pay. And early in 1895 Guest announced that from now on all the hands would work right up to the bell rather than wait for those behind the oven, who would instead work half an hour’s overtime. As the wages book noted, ‘Mr G. will not have any of this eight hrs punctual business – these are not the times for it.’ The workers, he added, should be ‘glad of the billett’ [sic].

Obviously, most were. Between May 1893 and September 1894, only ten people left Guest’s of their own accord, while thirty-one were summarily sacked. An incident in 1894 suggests some of the pressure these young workers were under. In May it was noticed that one of the young women was pregnant. After some debate, it was decided to let her stay on; after all, she’d been at the firm for a couple of years, and was a reliable worker. On 22 August she reported sick. Her child was born the same day, and less than three weeks later she was back at work. It is not clear what happened to the baby.

Guest’s income was on the way back up again by about 1896. In 1898 he was able to raise enough money to move into a new, larger factory, which he bought cheaply from a competitor who had gone broke. He installed new ovens and mixing machines. He was moving to expand his trade outside Victoria, especially with the booming goldfields of Western Australia. The factory workforce was back to its pre-depression levels by August 1898.

But then the depression began to enter a new stage. Over much of the countryside, dry seasons had set in from 1895. The droughts were to last until 1902. There were widespread crop failures, and the sheep population fell to less than half its 1891 peak. Large areas of land in the interior were abandoned. The outback was scorched by heat-waves and whipped by fierce duststorms. Food and water ran short. In 1902 locusts were being sold for food in many parts of western New South Wales.

The cities, which relied heavily on the annual flood of wool and grain, soon began to feel the effects of the deepening rural crisis. Trade slowed once more. The price of farm produce rose. Though the numbers of unemployed had fallen, many working-class families still had trouble making ends meet, as prices for many basic items were rising faster than wages. Guest had to exercise some ingenuity with his recipes, substituting lard for butter, reducing the numbers of eggs and watering the milk to keep his
prices down. In the factory, the numbers employed fell off again, and the old pattern of short time reasserted itself.

Guest was still reducing the payment he offered to new recruits. In November 1897 he had cut the girls' starting wage to six shillings a week. One young woman of twenty with a widowed mother

"ALL THINGS COME TO HIM WHO WAITS."

The 'free' labour market in 1891.
took work at the factory for this pittance. In June 1899 the same rate was brought in for the boys in the packing area. Many of the new recruits probably considered themselves lucky to get that. A large number had been unemployed for several years, and others had been working for even lower wages. One fourteen-year-old had been working in a newsagent’s for 4s. a week; another had been getting five shillings and sixpence at a tinsmith’s; a seventeen-year-old girl had been apprenticed in a box factory for three shillings. Those with jobs were inclined to knuckle down and keep their mouths shut.

But life at the new factory had its disadvantages. The rabbit-processing plant next door gave off such a nauseating stink that Guest’s workers couldn’t face the idea of eating lunch at work. The pace of work was unrelenting, and managers and foremen were still likely to pop up at any time to sack the ‘slackers’. Since 1898, too, the boys as well as the girls had been forced to submit to body-searches before they left the works.

In May 1899 the pressure became too great. The boys in the packing room mounted a strike, and the next day the bakehouse hands joined in. The managers and foremen were taken unawares. After all, the strikers weren’t members of any trade union; the decision to strike was their own. Their timing could hardly have been worse: at this stage of the year, with the Easter trade over, Guest’s was usually looking for an excuse to get rid of a few people. The old carrot-and-stick formula was applied. Fifteen ‘ring-leaders’ were sacked immediately, and most of the remaining boys were given pay rises over the next few weeks.

In one industry after another, the depression had given employers far greater power than they had had before. Long-established customs were swept aside for the sake of increasing output. New machines and new ways of doing things were introduced. Craft methods were replaced by factory production. In the cities, the remaining trade unions were quite incapable of reversing this trend. Many of them were craft unions, which only accepted skilled workers as members; the new factory workforce of machinists, juveniles and women were excluded from any say in their policies. And it was clear that the employers would hang on to their new prerogatives for dear life.

State intervention seemed to offer a way out of this situation. What the unions could not achieve on their own, they hoped to gain through government tribunals, which would be able to set minimum wage levels. The prospect worried many employers. When moves were made to set up a wages board for pastrycooks
THE MARKS OF WANT AND CARE

in 1901, Guests joined with the other factory-owners to block the idea. When they were asked how many pastrycooks they employed, they all replied that they had none, hoping that the factory inspectors and the wages board would keep away from them. They did not succeed; but as things turned out they had little to fear anyway. The employee representatives on the wages board were mainly concerned to make sure skilled pastrycooks were well paid, and to keep women out of the trade; the packers and the biscuit-makers were of little interest to them. When the wages board did set minimum rates in September 1901, the only workers at Guest’s who were affected were half-a-dozen hands in the dessert bakehouse. And, when the factory inspector arrived, it became clear that all but one of these workers were receiving more than the minimum anyway. To the mass of poorly paid packers and biscuit hands, the state had turned a blind eye.

It is clear that the depression meant different things to different people. The unemployed were the worst affected. Not only did they have to scratch to survive, scrounging for food, squatting in semi-derelict houses or doing moonlight flits to escape their landlords. They also had to put up with the busy-bodies from the charities poking their noses into their homes to make sure they weren’t cheating; and, if the government told them to go off to relief works in the Koo-wee-rup swamp or the Pilliga scrub, they had to go or lose their relief tickets. Ageing workers, especially those in poor health, suffered severely. The childless, and those whose children were unable or unwilling to support them, wound up in asylums that were no better than jails, where even married couples were forced to live apart. It was experiences like these that burned their way into the popular memory of the 1890s.

To Guest’s young workers, too, the depression meant insecurity, hardship and powerlessness: turning up to work, not knowing whether you would be the unlucky one who got the sack that day; biting your tongue when the supervisors abused you; having to stand in an open room while the forewoman took your clothes off to search you; knowing that there was no future in the work you were doing. And to work making food that you and your family were too poor to buy must have been a refined form of torture.

For the ‘old hands’, things were not so bad. They were not put on short time, and their money wages remained the same. As prices fell during the early stages of the depression, they would probably have found that they had more money to spare after
providing for their basic needs. It would be rash to assume, however, that they prospered. Though these men (and one woman) were being paid relatively well, many had others to provide for. A couple of teenage children with large appetites and no income would have taken care of any spare cash. It is also clear from people's reminiscences of the depression that many of those who were not doing too badly felt a moral obligation to help siblings, parents and neighbours who were in trouble – after all, they might need help themselves one day. These mutual support networks probably did at least as much as government relief and charity to help the unemployed survive the depression.

For Guest, the depression initially meant taking a substantial cut in a substantial income. But in the longer term it opened up new possibilities for him. He gained greater control over the way his business was run; he was able to dispense with old work practices without fear of resistance and impose his own ideas of efficiency on his workers. As he was relatively secure financially, he was also able to move into new markets after his competitors went to the wall, not to mention getting his new factory on the cheap. Guest left a substantial estate on his death, and his business survived until the 1960s, when it became part of the Arnotts group. The 'new' factory still stands in Laurens Street, North Melbourne, its faded sign, grim facade and barred windows a reminder of the days when a hundred youngsters slaved and sweltered within its walls.