benefit. And his figure excluded those in hospital funds, in industry-related schemes, and in local medical clubs. Counting families, this meant that on the eve of the introduction of national health, some two million individuals were covered for primary medical care by the friendly societies—a quarter of the Australian population.  

The Dispensaries

We still stand as a deterrent against any unfair or profit-making efforts by any organisation seeking private gain at the expense of the people.

_The Friendly Societies' Association_

Owned and controlled by unqualified laymen... A parasitic cancer within the pharmaceutical profession.

_The Pharmaceutical Society (SA)_

In the early years lodge doctors did their own dispensing, but by the 1850s and 1860s many friendly societies were contracting with local chemists for the supply of medicines. The chemists agreed to supply all drugs prescribed by a doctor in return for a fixed annual capitation fee. In the 1860s and 1870s came a further development. Friendly societies began to abandon these contracts and build their own dispensaries. This was their answer to the two main problems they faced: the high cost of medicines, and the fact that many chemists adulterated their drugs.

_Pharmacy before the societies_

During the 1820s dispensing began to be carried out by pharmacists who were independent of medical practitioners. In 1820 John Tawell established the first successful retail pharmacy in Sydney. Several other pharmacies followed, usually also supplying groceries and other items.  

In 1828 there were 36,500 people in New South Wales, over 40 percent of whom were convicts. By 1841 the population had grown to 130,856, with convicts still accounting for about a fourth. During this period pharmacy was increasingly profitable. Not all the new chemists were scrupulous. Adulteration of drugs was a common practice, although one which seems to have declined as the prosperity of chemists increased. And in the 1840s huge returns became possible. Gregory Haines, the official historian of the Pharmaceutical Society of New South Wales, estimated that the difference between London
wholesale prices and Sydney retail prices was on average around 150 per cent. Sydney's chemists would have been earning from £400 to £800 a year from drugs alone. By comparison, the acting apothecary at the military hospital in Sydney received £246 12s 6d and his assistant £91 5s 6d.2

By the 1840s there were between 30 and 40 chemists in Sydney. One after another, doctors began to send their patients to these new pharmacies. Many doctors acquired a financial stake in particular pharmacies. Some went as far as to write their prescriptions in a system of hieroglyphics, decipherable only by a particular chemist. In return, such doctors received a commission of 25 per cent. According to the Australian Medical Journal of August 1847, one Sydney doctor was pocketing between £200 and £300 a year from one such arrangement. Other chemists and doctors agreed to recommend patients to each other in return for a rebate. This type of 'secret but unholy alliance' between doctor and chemist was attacked by the Australian Medical Journal as early as 1847. But, in New South Wales, it was not until 1917 that any formal action was taken. The BMA branch outlawed any agreement between doctors and chemists requiring a patient to attend a particular dispensary.3

'ADT: 1 tsp every 4 hrs'

Where friendly society branches supplied their members with medicine under the contract system, it was common practice for tenders to be invited from a number of local chemists. Sometimes chemists actively sought to undercut their rivals. For example, during 1876 one chemist wrote to the Ipswich True Blue Lodge of the Protestant Alliance in Queensland offering his services for 9s, a lower fee than was being charged by the current chemist. The lodge wrote to their chemist asking him if he could match the new offer.4

Such bargaining was common and helped to overcome the problem of cost. But it did not improve the quality of medicines prescribed. Indeed, the contract system of supplying medicines almost surely increased the extent of adulteration. It certainly increased suspicions, which lodge members, as consumers, were free to air: 'There is an idea prevalent amongst the members of not only our own Society, but all others doing business in the same way... that although the mixture you receive (as a member of a Lodge) will do you no harm, there is no fear that it will do you much good.'5

And such suspicions were borne out by evidence given to the NSW Royal Commission of 1883. Dr Belgrave, a prominent member of the New South Wales BMA, told the Commission:

We cannot rely so much upon the quality of medicines supplied by a druggist under the contract system as we could upon the quality of medicines supplied from a dispensary under the control of the Clubs, where the element of profit would not enter so much into the transaction. I should think it not improbable that a druggist who had expensive medicines to supply would seek to have those medicines made up in the least expensive way, whereas a Club dispensary would not give the matter of cost so much attention.3

Dr O'Reilly, secretary of the branch, said, 'I would place more faith in the drugs got from the Manchester Unity than those from some of the chemists.'

When asked if their prescriptions were faithfully dispensed by chemists, other doctors pointed out that standards varied:

'It all depends on the chemist, and what he receives. There are some who give good things, and others who give rubbish.

In some instances they have been dispensed in an honest straightforward manner, but in other instances the dispensing has been simply disgraceful... I frequently have to recommend patients to pay for their medicines.6

The situation was similar in other States. Some years later in Queensland, for instance, when Brisbane's friendly society dispensary was opened:

No class were better pleased at the establishment of the Dispensary than the doctors... If the doctor thought that more expensive medicines were needed, out of friendship to the chemist, he sometimes hesitated to prescribe them except in a limited way. And it was not an uncommon thing for a doctor to say, 'Do not take this to your Lodge chemist, but take it elsewhere, and pay for it.'7

According to Haines, the friendly societies attracted 'the inexperienced and least desirable' members of the pharmaceutical profession. Medicines like cough mixtures or stomach mixtures—the latter were used for all manner of digestive problems—were prepared in bulk with minimal care. And use of the 'stock bottle' seems to have been quite widespread. According to a letter to the editor of the Australian Medical Gazette from one 'small country GP', the only remedies the club patients ever got in one practice were two mixtures, rhubarb and soda, or 'spiritus etherae nitrosi with liquor ammoniae acetatis. 'Excellent remedies no doubt', the correspondent remarked, 'but I don't think they cover the whole of the resources of the British Pharmacopoeia'.8

Dr Herbert Moran describes a dispensary run by two doctors in a
mining district of New South Wales. The shop windows had been boarded up and the whole outside painted ‘a somewhat lugubrious dark colour’.

Behind the waiting-room was the dispensary, and there a dispenser with two or three assistants sweated to keep up with the doctors. A patient had to provide his own bottle and cork—for these cost more than the ingredients which the dispensers poured in from great demi-johns of stock mixtures. The stock-mixtures were of different colours. One contained nothing else than burnt sugar in solution. They were made up in a concentrated form in the interval between consultations, so that when the doctors’ prescriptions indicating a medicine came pell-mell along, all the hard-worked dispensers had to do was pour the necessary quantity from stock into the bottle which the patient pushed forward and then fill up with water from the tap.9

Years later, jokes were still being told about such doctors. A common prescription was said to be, ‘ADT, one spoonful every four hours.’ ADT meant Any Damn Thing!

The rise of the dispensaries

‘Creeping socialism’

The solution adopted by many societies was the establishment of a friendly society dispensary. Qualified dispensers were employed on a salaried basis. Freed from the pressure to make profits, and under the direct control of the members, they were more likely to dispense good quality drugs. One prominent Brisbane doctor who was also a lodge member told of his need for a non-profit dispensary: ‘I want a man behind the counter, to whom it makes no difference whether a medicine I prescribe costs sixpence, or a pound’. The dispensaries also supplied a wider variety of items than commercial chemists. They would supply anything prescribed by a doctor, whereas many chemists refused to supply items like lint or surgical dressings.10

Dispensaries were not the only experiments made by the friendly societies. Other schemes were tried, but they proved unsuccessful. One Sydney chemist had supplied members of the Ancient Order of Foresters’ Court Robin Hood with prescribed medicines at a 25 per cent discount. The scheme had been abandoned as too costly and the branch had reverted to the 8s-per-year capitation system.11

The first friendly society dispensary in Australia was the Oddfellows Medical Institute and Dispensary in Sydney, established in 1847. The dispenser was required to ‘reside at the Institute, and be ready at all times, Night and Day, to compound and dispense all Prescriptions that may be sent by the Medical Officers’. By 1866 the Oddfellows’ Dispensary was catering for 4700 members and dependants.12

In 1885 the Balmain UFS Dispensary was opened. After twelve months, there were twelve affiliated lodges with 1500 members. It was estimated that the dispensary had achieved a 20 per cent saving to members. In 1887 the Newtown UFS Dispensary was opened by seven lodges with a total of 636 members. By 1903, when a new dispensary was built, there were 33 affiliated lodges with 2850 members.13

In 1888 the Newcastle UFS Dispensary was established, and the number of dispensaries in NSW continued to grow until by 1923 there were eighteen. By 1939 there were 21, with a total membership of 75,000.14

The first dispensary in Victoria was the Emerald Hill Dispensary, established in 1869. This was followed by the Melbourne UFS Dispensary in 1870. A third followed in May 1871, when delegates from fifteen lodges met to establish the Collingwood and Fitzroy Friendly Societies’ Dispensary. It was soon functioning and other lodges joined, often at the expense of the lodge doctor. In March 1872 Court Perseverance had terminated its agreement with the court surgeon and affiliated to the Collingwood and Fitzroy Dispensary for the supply of ‘all medicines, medicants, bandages, surgical instruments etc’.15

Bendigo’s dispensary opened in 1872 and the Ballarat UFS Dispensary in 1880. The Brunswick and Coburg UFS Dispensary and Medical Institute was established in 1884. In 1924 it had 8747 adult members and charged 10s 8d per year for medical care and 5s 4d for dispensary benefits. Single women, of whom there were 1051, were charged half the rate.

Expansion continued throughout the 1920s and 1930s. At the end of 1922 there were 27 dispensaries in Victoria, 17 of which were combined dispensaries and medical institutes.16 In that year the Wonthaggi Miners’ Friendly Society Dispensary was established. As in mining districts throughout Australia, friendly society membership was very strong, as were the links between the friendly societies and the Miners’ Union. In the early 1920s the Miners’ Union arranged for all employees in the local mines to contribute 3d a week by payroll deduction towards the cost of a friendly society dispensary. In November 1922 the new building was erected, on the site still in use today.

The Perth UFS Medical Institute and Association had been established in 1900, and by 1924 was functioning as a dispensary rather than a medical institute. It charged an annual fee of 10s per member which entitled a member to medicine for himself, his wife, and chil-
dren up to eighteen (sixteen in some societies). By that time there were some seven dispensaries operating in WA.\(^7\)

Although there was one dispensary at Boulder, a different arrangement prevailed elsewhere in the goldfields. A Friendly Societies' Association had been established at Kalgoorlie in 1897 to provide medical attendance and medicines for affiliated lodges. But it was the association and not individual lodges which entered into agreements with doctors and chemists. In 1917, believing they could provide friendly society members with a better service, the FSA bought out Kelly's, a private pharmacy, which they operated as a business under the Companies Act. Contributions were 3s per quarter, considerably less than the 5s charged by private chemists. Many friendly society members worked in the mines and had their friendly society contributions deducted from their pay.\(^8\)

At the beginning of January 1885, the BAFS Dispensary was opened for business. Funds were raised by each of the 1226 members contributing 2s 6d each, a sum which was returned within two years. Four years later, at the end of 1889, membership had increased to 2091. In October 1891 a branch of the dispensary was opened in South Brisbane. This branch was not a financial success, largely due to the Depression of 1891–93. In August 1893 it was resolved to close it, a resolution which sparked off a successful protest by South Brisbane lodges which were able to call a special meeting which voted to keep the new branch open.

Persons who were not lodge members of the BAFS Dispensary could pay sixpence and become direct members. At the end of 1895, there were 650 direct members.\(^9\)

In March 1894 cash sales to members of the public began. In July 1909 a third branch was opened in Fortitude Valley, and by the next year total membership was up to 7722. In 1912 an honorary dentist was appointed to operate within the dispensary. Members were given a discount on normal fees.

In February 1916, when the dispensary moved into a new building at the corner of George and Turbot Streets, it had 13,160 members in 124 affiliated lodges. The dispensary still operates today from these premises. Initially the annual subscription was nine shillings (nowadays it is around three dollars). By 1916 this had been reduced to 7s. The dispenser valued the retail cost of medicines supplied at 20s per head per year. The dispensary prided itself on giving a start to apprentices: 'Quite a host of apprentices and assistants have passed creditably through our hands, and occupy important positions—some in first-class establishments in Brisbane—others in businesses of their own. No less than four are in Toowoomba, others in Ipswich, Kingaroy, Rockhampton, Maryborough, and Townsville.' Others were working in Adelaide, Durban and Johannesburg. 'And when any of them return to Brisbane,' wrote the manager, 'they rarely fail to visit, not their old "boss", for he dislikes that American term, but their dear old friend, whose memory remains a green spot in the warmest corner of their hearts.'\(^20\)

In 1924 the dispensary had 15,707 family members, 1966 single members and 367 juvenile members, a total of 18,070.\(^21\) The Brisbane Dispensary was followed in 1887 by Townsville. In 1894 the Mount Morgan Dispensary opened, followed in 1898 by Toowoomba. By 1924 there were fourteen dispensaries in Queensland.

In 1909 there were dispensaries in every State except South Australia, and there the establishment of a dispensary was under active consideration. Previously, South Australian doctors had supplied both medical care and medicines. The new proposal meant that doctors would no longer supply medicines.\(^22\) The Adelaide UFS Dispensary opened in October 1911 with 35 lodges. At the end of its first year it had 62 lodges. Membership had increased from 2320 to 6000.

The new scheme offered a number of improvements. Prescriptions could be dispensed round the clock. All maternity requisites were to be supplied free. No limit was placed on the drugs which might be prescribed. Medical officers were free to prescribe all drugs in the British Pharmacopoeia and any other medicines approved by the dispensary committee. In a concerted effort to combat the spread of tuberculosis the dispensary supplied without any charge all emulsions—malt extract, cod liver oil—prescribed by the medical officers. The dispensary also engaged in the dissemination of literature and 'other means of protecting the public health'. A range of medical appliances for temporary use were available free of charge—even ice was supplied free when prescribed by a doctor—and permanent appliances, such as trusses or prostheses, were supplied at wholesale cost. In addition, medical officers could obtain from the dispensary emergency outfits of drugs, bandages, etc., also without charge.\(^23\)

The contributions for medicine only were 3s for the single member, 7s 6d for families with children up to twelve, and 9s for families with older children. Members could also pay their contribution for medical attendance to the dispensary which initially offered to arrange medical care for 7s, 17s 6d, and 21s. Existing fees were 10s, 25s, and 30s.\(^24\)

Early in 1913 the dispensary issued a plan for the establishment of a medical institute to provide medical, dental, optical and nursing services, as well as electrical treatment and medicines. And in 1914, the Friendly Societies' Medical Association (FSMA) was founded. Its aim was to supply medicine, proprietary and patent preparations, mechanical appliances and other items at wholesale prices. In addi-
tion to these benefits an official optician was available for free eye tests, and to provide glasses at a reduction of 25 per cent on usual prices. There was also an official dentist who extracted teeth and gave advice without fee, and supplied artificial teeth and other work at 20 per cent less than ordinary fees. The official masseur applied massage, carried out X-ray examinations and treatment, and electrolysis. The entrance fee was 1s 6d, and the annual contribution, 1s.25

The FSMA expanded rapidly and by 1928 it had seven dispensaries with 20,000 members. By this time it had a free loan department which loaned to members free of charge items such as crutches, bed rests and invalid chairs. In 1939 the FSMA had 24,787 members served by thirteen shops. The Port Adelaide Dispensary, also well established by this time, had established a system of twelve depots to which collections and deliveries were made three times daily in order to serve its 5000 members.26

By 1948 there were 165 friendly society dispensaries and pharmacies throughout Australia with a total membership of 360,000. Counting dependants, this meant that by mid-century over a million individuals were meeting their medicinal requirements through the societies.27

**Contract practice in later years**

Contract practice was always an inferior service to that offered by the friendly society dispensaries. But it was not eliminated by the growth of the dispensaries. It remained in some areas until the establishment of the national health scheme.

Until 1927 it was still normal practice for many doctors in South Australia to supply both medicines and medical attendance, but in that year they ceased to supply medicines. The friendly societies entered into separate agreements with chemists through an organisation called Pharmaceutical Dispensers Ltd. The agreement reached was that each lodge could choose to pay the chemist 1s per member per quarter, or 1s per script. Naturally lodges chose whichever was cheaper. Nevertheless, within three years of the scheme’s starting, the number of scripts being issued had increased by about 75 per cent. As a result some lodges imposed an additional charge of 3d per script, payable by the member directly to the chemist. Lodges that introduced the 3d charge found that the number of prescriptions dispensed was reduced. In addition to these charges a member had to pay 3d for the first bottle issued, but if it was returned there was no further charge when a new script was dispensed. In NSW a similar charge of 3d for the first bottle was made. In Victoria it was 2d.28

In the early 1930s the ambition of the organised pharmaceutical profession was to emulate the doctors and impose a model lodge agreement. In 1934 the Federated Pharmaceutical Service Guild of Australia successfully negotiated such an agreement with the FSA in NSW.29

Later, with the inauguration of the national health scheme at hand, organised pharmacists sought to end the capitation system. They feared that governments would use the scheme as a basis for national health, thus forcing all chemists to accept flat-rate payment, a fear openly expressed by Pharmaceutical Dispensers Ltd in their discussions with South Australian friendly societies.30 The Guild favoured a tariff scheme whereby the charge would reflect the cost of the ingredients and container plus a dispensing fee, plus profit. The friendly societies were to be granted a 20 per cent discount on compound items in the Australian Pharmaceutical Formulary. They were unable to secure friendly society approval and, taking a page from the doctors’ book, Guild chemists throughout Australia terminated their contract agreements.31

In Victoria, contract practice was terminated by the Pharmaceutical Guild in 1951. Many lodges established medicine pools, an arrangement whereby friendly society members paid a flat-rate contribution into a common fund out of which each members’ expenditure on prescriptions was met.32 Some such pools still exist today, but generally they have not been very successful.

The termination of contract practice in South Australia gave a boost to the friendly society dispensaries. The Port Adelaide Dispensary amalgamated with the FSMA and rapid expansion followed as former members of the abandoned contract scheme flocked to the dispensaries.

**Commercial rivals**

The popularity of the dispensaries had long aroused bitter antagonism from commercial chemists and drug suppliers. In his 1896 attack on friendly societies, Ludwig Bruck had appealed to ‘legitimate chemists’ for support in crushing the societies. He intended his plan to ‘weaken, if not ruin, the existing dispensaries carried on by lodges on the co-operative principle’, and prevent the establishment of new branches, with the result that the ‘expenses’ of commercial pharmacists ‘would be reduced and their profits increased’.33

The hostility of commercial interests took different forms over the years. In the 1920s drug manufacturers restricted supplies to friendly society dispensaries. In the 1930s, as we have seen, the organised pharmaceutical profession sought to limit competition by imposing a
centralised model lodge agreement. In later years the profession was able to use both Federal and State Governments to advance its own interests at the expense of friendly societies. They particularly exploited the Governments' need for their co-operation once the pharmaceutical benefit scheme had been initiated. As the price of their co-operation, the pharmacy lobby took every chance to insist that governments should pass laws penalising their long-standing rivals, the non-profit pharmacies.

**Dispensaries put consumers first**

In the 1920s, the friendly societies in NSW met the threats from commercial producers to restrict supplies by establishing their own drug company. During 1921 and 1922 discussions were initiated by Manchester Unity. A feasibility study was carried out and in December 1924 the Friendly Societies Drug Company was registered (renamed the Commonwealth Drug Company in 1934). In March 1925 a manager was appointed and trading began soon after. The company was a success. By its seventh annual meeting in 1933, it was regularly paying a 6 per cent dividend to those friendly societies which had risked their funds in defiance of the producers' cartel. In retaliation the Proprietary Articles Trades Association denied the company membership of its wholesalers' section and prevented it from receiving supplies of products, subject to its price protection.  

During the 1930s the pharmacy lobby became more concerned with the threat posed by the company pharmacy. They turned to their one-time arch-enemies for support, hoping for a joint approach to be made to State Governments to press for legislation which would restrict competition.

In October 1936 the Pharmaceutical Service Guild of New South Wales asked for friendly society support for a campaign to resist the plans of Boots—a large British company operating a chain of chemists shops—to open a series of retail outlets in Australia. The Guild claimed to have prevented a similar move in New Zealand. Their argument was that Boots would put, not only some chemists but also the friendly society dispensaries, out of business. To induce the societies to join them in lobbying the Government, Guild pharmacists offered representation on the Guild's branch committee, and recognition of the dispensaries' right to trade openly with non-members, as long as they observed the Guild's pricing system. A committee of friendly society representatives reporting to the Friendly Societies Association of New South Wales found:

That by supporting the Guild we have their promise of support in certain concessions that would be of material advantage to Friendly Societies and, providing same can be put into effect, we have...something to gain therefrom, and nothing to lose...

That it is very problematical what effect the operations of 'Boots' would have on our Dispensaries and Pharmacies by the cut-rate system of dispensing,—we certainly will not gain anything...  

Nevertheless, the committee argued that 'if our members can obtain their requirements cheaper elsewhere than at our dispensaries, it is only natural to expect them to trade elsewhere'. And it recommended that the friendly societies ought not to join forces with the Guild. The Friendly Societies' Association adopted the recommendation. This view was shared by the Friendly Societies' Medical Institutes and Dispensaries' Association, a body representing the particular interests of the dispensaries.  

In South Australia the friendly societies were approached by the local pharmacy lobby but refused even to enter into discussions with them. In November 1936 the Drug Trade Defence Council requested the FSMA to send a delegate to a meeting on the Boots campaign. The request was declined. In February 1937 the invitation was renewed and again declined.

Other attempts to persuade the friendly societies to engage in a joint campaign to restrict competition were made during this period. Once, in 1937, the FSMA was approached by the Pharmaceutical Guild with a request to jointly fix a rate for dispensing medicine. The FSMA declined on the ground that the Guild's intention was merely to increase the rate. The FSMA philosophy was that the rate should be kept as low as possible, consistent with providing an efficient service to members. The societies never lost their paramount commitment to their members, even where this might be at a cost to the friendly societies themselves.

Few today find the attitude of the Guild defensible. Even the official history of the Pharmacy Guild of Australia concedes that the pharmacy lobby was in a 'difficult position' on the Boots issue: 'Its arguments amounted to no more than a plea for protection against a corporation which could supply the same goods at a lower price'.  

**The Guild captures the State**

But in spite of their unsupportably protectionist stance, and notwithstanding the lack of friendly society support, the lobbying against company pharmacy did eventually bear fruit. Led by Western Australia, legislation was passed in each State restricting the ownership of pharmacies by companies. Having won a victory against the company pharmacy, the Guild redirected its attention to the friendly societies. Their great fear during the 1930s was that friendly society...
expansion would eliminate private pharmacy. Nor were these fears entirely unfounded. In the opinion of pharmaceutical historian Haines, but for the national health scheme, the friendly societies could have threatened the eclipse of private pharmaceutical practice.40

Four kinds of restriction were ultimately imposed, one at the State level and three at the Federal. In each State limitations were placed on the number of shops friendly societies could open for trading with the general public. These restrictions were the outcome of campaigns fought in each of the States. Three other restrictions were imposed by Federal Governments under pressure from commercial quarters. The societies' ability to dispense government prescriptions was limited. Their ability to offer rebates on the government prescription charge was restricted. And they were subjected to a discriminatory system of taxation.

The chief reason the chemists were able to secure these limitations was the need of successive governments for their co-operation in running the pharmaceutical benefit scheme. Once the wartime Federal Government had shown an interest in introducing a government pharmaceutical benefit scheme, the chemists recognised the added bargaining power this gave them. They took advantage of the new circumstances to wring concessions from the Government which were designed to damage the friendly societies. But, more than this, Liberal and Liberal-Country Party Coalition Governments, both State and Federal, have shown considerable vulnerability to capture by the vested interests that make up active party membership. 'Free enterprise' too frequently became the watchword of vested interests against competitors who seemed to have become rather too attractive to consumers.

Restriction of shops

In South Australia the Guild succeeded in persuading the Government that the friendly societies were about to wipe out private chemists.41 In 1942 company pharmacies had been limited to the number of shops operating in August of that year. In 1947, section 26(d) of the Pharmacy Act Amendment Act, placed a limit of 26 on the number of shops the FSMA could open for trading with the general public. The Act placed no limit on the number of restricted shops the societies could open (those permitted to trade with members only), but because friendly society members were dispersed throughout Adelaide, restricted shops could not be operated economically.

In Western Australia the dispensaries have faced a similar limita-

tion. Section 36 of the WA Pharmacy Act of 1964 limits friendly society pharmacies and company pharmacies to the number in operation at the commencement of the Act. Section 36(h) imposed a still more strenuous limitation. It confined friendly society and company pharmacies to the particular place of business in use in 1964 (except where the minister might authorise a move). This limitation on company pharmacies had been imposed in 1937. Its extension to friendly society dispensaries was a new development, designed to protect the 320 Guild pharmacies from the 'unfair' competition offered by the ten friendly society shops.

Particularly influential in the debates in both houses of Parliament was the argument that the Commonwealth had, earlier that year, restricted the right of friendly societies to give their members rebates on government prescriptions. This was, wrongly, thought to be a reflection of the Federal Government's disapproval of friendly society dispensaries generally. But the chief reason for the measure was the commercial pharmacists' fear of friendly society expansion. In 1956 there had been six pharmacies permitted to trade with the general public. By 1964, there were ten. Ross Hutchinson, WA's Liberal Minister for Health, explained that company pharmacies had been limited in 1937 'to prevent the introduction of chain store operators whose only interest in the field was the prospect of profitable investment', and proceeded to tar the non-profit friendly societies with the same brush, at one point describing the friendly society pharmacies as 'chain store dispensaries':

Basically, it is necessary to protect the practice of pharmacy from the inroads of company interests and chain store dispensaries, and to retain the individuality of the pharmacy retail business...

A system is now developing in the dispensaries which neither the Commonwealth nor the State could agree to. It was never anticipated that these dispensaries would be used to compete unfairly with the good order and individual management of retail pharmacy and strike contrariwise against the whole principle of pharmacy legislation.42

Much was also made of the individual management of retail pharmacies. At one point the minister declared that underlying the measure was the 'vital principle' that retail pharmacy 'much be conducted by individuals'. And another supporter of the restriction, the opposition member the Hon. J. Dolan, referred to 'the personal touch', a phenomenon he contended the Act would encourage.

These arguments conveniently ignored the fact that the individuals concerned were members of the Guild, a price-fixing cartel. A further irony was that clause 6 of the Act also required every pharmaceutical chemist to be a member of the WA Pharmaceutical Society. Strictly
speaking, the Pharmaceutical Society was a professional association. But like most other professional associations, the line between the professional ethic which protected the client and the professional 'ethic' which merely disguised a restrictive practice favouring the self-interest of the professional was exceedingly thin.

By 1973 the population of Western Australia had increased by 40 per cent and yet friendly society expansion had been stifled. In that year the Labor Government in WA sought to relieve the restrictions placed on the friendly societies. A Bill giving the minister the power to authorise the establishment of up to eight more friendly society pharmacies was passed by the Lower House. The pharmacy lobby, however, found it easier to influence the Upper House, and the Bill was rejected.43

Commercial lobbyists also found willing listeners among some elements of the South Australian Liberal Party whose commitment to freedom, despite their rhetoric, was only a commitment to commercialism. Such Liberals saw voluntary mutual aid associations as a kind of creeping socialism. This view became particularly evident in the mid-1960s, when the new Labor Government sought to alleviate the legal restrictions under which the friendly societies had laboured for some twenty years.

An animated campaign was mounted by the private pharmacists. They were supported by the Liberal opposition which talked much of free enterprise and equal competition, but really meant the protection of established businesses against an alternative which they feared would be attractive to consumers.

Between 1947 and 1964 the population of the State grew from 646,073 to 1,031,619. Membership of the friendly societies had increased from 45,393 contributors covering 114,844 persons in 1949 to 90,000 contributors covering 223,560 persons in 1964. But no increase in friendly society pharmacies had taken place. In 1948, when there were 228 private pharmacies, the 26 friendly society pharmacies accounted for 10 per cent of the total. In 1964, when there were 453 private pharmacies and still only 26 friendly society shops, friendly society pharmacies had slipped to a bare 5 per cent of the total.

In 1965 the new Labor Government proposed to increase the number of shops from 26 to 36. This led to intense lobbying. In a bid to dissuade it from permitting the FSMA to establish additional chemists shops, the president of the Federated Pharmaceutical Service Guild of Australia and the president of the Pharmaceutical Society of South Australia submitted a document to the Government. This document criticised the FSMA for being run by 'unqualified laymen', and described it as a 'parasitic cancer' within the pharmaceutical profession. The pharmacists also had their supporters in Parliament. In a particularly canting contribution to the parliamentary debate, the opposition member F.J. Potter argued that a great matter of principle was involved: 'It touches the freedom of the individual and amounts to private enterprise versus a kind of monopoly'.44

In the end the FSMA were permitted to open an additional five shops. Within two years these shops were open for business.

Other States also faced limits on friendly society pharmacy growth, though none as rigid as the Western Australian restriction. Under the Queensland Pharmacy Act of 1976 the Pharmacy Board—dominated by the organised pharmaceutical profession—was given the power to approve or reject plans to open new pharmacies. In 1978 a proposal to open a friendly society dispensary in Ipswich was rejected. The societies appealed to the Courts, but without success. Soon afterwards, a Guild chemist was permitted to open a shop in the same area.

The national health scheme and commercial pharmacy

Towards the end of 1943 the Government announced its intention to introduce a scheme to provide free medicines. It was to cover medicines and appliances listed in the Commonwealth Pharmaceutical Formulary on which they were prescribed by a doctor on a government form and dispensed by an approved chemist. Participation was voluntary. In March 1944, the Pharmaceutical Benefits Act was passed, but the BMA refused to co-operate with it.45 Implementation of the legislation was postponed, and it had still not been put into effect in November 1945, when the High Court considered the case brought by the Attorney-General of Victoria at the behest of members of the Medical Society of Victoria. The Court found that the Commonwealth had exceeded its statutory powers because the Act interfered with the State's own legislative powers and therefore with the public rights of Victoria's citizens.46

In 1947 the Government renewed its efforts to introduce a pharmaceutical benefit scheme. In June of that year a new Act was passed, but the BMA again refused co-operation. The Act came into operation in June 1948 but only 155 doctors out of about 8000 were willing to participate in the scheme.47 In the end, Labor lost office at the end of 1949 and the scheme was never fully implemented.

However, a similar scheme was put into effect by the LiberalCountry Party Government which won office in December 1949. It came into operation in September 1950 but was confined to a list of 180 costly life-saving and disease-preventing drugs. In July 1951 the scheme was extended to provide free of charge a wider range of medicines to pensioners using the pensioner medical service. These
arrangements, introduced under regulations authorised by the National Health Service Act 1948–49, were consolidated in the 1953 National Health Act. This new legislation also improved upon the original scheme, notably by increasing the number of drugs available. The pharmaceutical benefit provisions came into force in May 1954.

As part of the price of their co-operation, pharmacists sought representation on the official committees that would in reality administer the scheme. The Pharmaceutical Benefits Advisory Committee was the body appointed to keep the list of free medicines under review. Expanded to nine members from an initial seven, the Committee included six doctors chosen by the minister from a panel of nine nominated by the BMA, and one member chosen by the minister from a panel nominated by the Federated Pharmaceutical Service Guild of Australia. The 1953 Act also provided for the establishment of State medical and pharmaceutical benefit committees to consider possible breaches in the supply of pharmaceutical benefits.

The Act also empowered the minister, after consultation with the Federated Pharmaceutical Service Guild of Australia, to determine rates of payment and conditions of supply of pharmaceutical benefits. Before making a determination the Minister usually sought the advice of the Standing Committee on Pricing Arrangements, comprising four members representing the Pharmaceutical Guild, three the Commonwealth Department of Health, and one the Department of the Treasury.\(^{48}\) And in the bargaining that preceded the introduction of the legislation and which has continued unabated since, the Guild has sought to exact other self-interested concessions.

The provision of pharmaceutical benefit

A traditional object of commercial pharmacy was to deny friendly societies the right to trade with the general public. By the mid-1940s open trading had long been permitted in South Australia and Queensland, but by the time the 1947 Pharmaceutical Benefits Act had become law it was also permitted in NSW, Victoria and Tasmania. It was not permitted in WA until 1956, when six shops were authorised to trade openly.

The open trading issue came to a head when the Menzies government was planning its pharmaceutical benefit scheme. Under section 91 of the 1953 National Health Act, virtually all the chemists in Australia were granted full approval for participation in the scheme. 116 friendly society dispensaries were also given full approval, but over 40 were only given 'limited approval' to supply their own members. They were not permitted to supply members of the general public.

This was amended in 1964 to permit all dispensaries in operation at that time to trade with persons generally. This brought the total up to

140. However, any dispensary which opened after 23 April 1964 could only be granted approval to dispense National Health prescriptions to members. In 1962 twelve dispensers, five in South Australia and seven in Queensland, were affected by this provision and could dispense pharmaceutical benefit prescriptions to members only. Particularly unjust was the fact that older members of the friendly societies who became eligible for medicines under the pensioner medical service, and who might have traded in a friendly society dispensary throughout their lives, were prohibited from obtaining government-subsidised medicine from limited-approval dispensaries.

The effect of 'limited approval' has been to restrict the development of the friendly society movement. Calling the restriction 'irksome and unnecessary', Manchester Unity in Queensland abandoned its hopes of opening new pharmacies. Instead, in 1957 it introduced a fee-for-service pharmaceutical fund to provide for members who had no access to a friendly societies dispensary.\(^{49}\)

The friendly societies have consistently argued that their entitlement to trade with the general public should be no more restricted than any other form of co-operative. In November 1974 the Whitlam Government presented amending legislation to remove the disability, but it was rejected in the Senate.\(^{50}\)

Rebates

In 1959 the nature of the pharmaceutical benefit scheme was substantially altered. The approved list was enlarged and a 5s patient contribution was introduced to discourage over-use. But the Minister for Health took the view that, because friendly society members had paid an annual contribution, they should be deemed to have already paid the patient contribution. For this reason, friendly society dispensaries were permitted under section 92A, to charge less than the 5s patient contribution.

In 1964, after intense lobbying by the Guild,\(^{51}\) this provision was repealed and a new section 92A inserted, which restricted this benefit to members and their dependants up to sixteen years of age, registered on 23 April 1964. The argument of the Guild was that the right to rebate gave friendly societies a competitive advantage—that is, it was attractive to consumers—and that, therefore, it should be removed. The Government was also influenced by the fact that at least one major health fund was planning to introduce a rebate, and feared a breakdown of the deterrent effect of the patient contribution. The measure meant that any member who joined a friendly society after 23 April 1964 could not receive a rebate on the National Health prescription charge.

The friendly societies' view has consistently been that members,
because they pay a subscription, should be entitled to receive any
benefit which their society was offering. The Senate Select Commit-
tee on Medical and Hospital Costs supported this principle in its re-
port of June 1970:

The Friendly Societies Dispensaries are long-established mutual benefi-
organisations, with an imposing record in the field of community mutual
help and interest, and the Committee does not agree that members of
such societies should be compelled to pay the fee. There is no evidence
to suggest over-utilisation by such members who are entitled to receive a
rebate by virtue of membership since before 1964, and, as prescriptions
are made out by the members' doctors in the normal way, any such sug-
gestion seems unrealistic. Advantages to members of organisations are a
common feature of present society and a strong case can be made for the
plea that all members of Friendly Societies should be entitled to the
advantage previously available through Society dispensaries.52

And the House of Representatives Select Committee on Phar-
aceutical Benefits stated in its report of May 1972: 'The Committee
recommends that in the event of the Commonwealth approving any
expansion of the rights of contributors to Friendly Societies Dispens-
aries, to receive rebates for National Health Scheme prescriptions,
other organisations should also be approved to provide similar ben-
fits at private pharmacies on payment of a similar contribution'.53
This suggestion was welcomed by the friendly society dispensary
movement, but to date the restriction remains.

Unfair tax

Perhaps the most crippling restriction under which friendly societies
have laboured is the method of taxation laid down in 1955 in an
amendment to the Income Tax Assessment Act.

During 1947 the Guild had engaged in a vicious campaign to dis-
credit friendly society dispensaries. The Federated Pharmaceutical
Service Guild of Australia canvassed all Members of Parliament and
distributed propaganda to Returned Soldiers' Associations, local
government councils and the city and country press. As the friendly
societies put it:

In all this vicious propaganda the Friendly Societies' Dispensaries are pic-
tured on the one hand as organisations giving an inferior service to a small
section of the public, whilst enjoying special privileges and advantages in
comparison to the ordinary Pharmacist; but, on the other hand, when it
suits their arguments, our Dispensaries are pictured as huge chain-store
organisations controlling millions of money, all to be used to the disad-
vantage of a section of the Pharmaceutical profession.

The friendly societies answered:

In the first place we could not carry out our work without the assistance of
hundreds of registered Pharmacists, who are quite happy to manage our
Friendly Societies' Dispensaries under an award more generous in every
direction than the Master Pharmacists are prepared to offer their profes-
sional fellows.

We do not intend to vacate this field of co-operative effort at the
behest—and for the benefit—of an organisation that seeks a monopoly
for a certain section of employers controlling private Pharmacies, and
would be amazed if any Labor Government should render less useful any
co-operative organisation with a record and work such as the Friendly
Societies' Dispensaries...

The appeal comes from an organisation only concerned with private
profits, greedily seeking a monopoly in the field of Pharmacy, hoping to
exclude organisations such as Friendly Societies' Dispensaries.

The friendly societies made a simple demand. They asked the Gov-
ernment to permit them to trade on equal terms.54

Not uninfluenced by this barrage of well-directed propaganda, and
already confronted by a hostile BMA, the Government was reluctant
to oppose the chemists. They needed their co-operation if the scheme
was to succeed, and paid their asking price. With characteristic blunt-
ess, Chifley said to the friendly societies, 'I can agree with nearly all
you've said. We would like you to help. But you've got to be realistic.
There's 3000 chemists and only a hundred and fifty of you people'.55
The 1947 Act imposed income tax on 15 per cent of the amounts
friendly societies received from the Commonwealth under the Phar-
amaceutical Benefits Act of that year and on the gross proceeds from
sales.

However, because this legislation was never fully implemented, the
tax was not raised. In 1955 the scheme was unexpectedly revived in
slightly modified form by the Menzies Government. The friendly
societies received no warning. Indeed, they only heard about the
proposal on the radio. A delegation from Sydney set off for Canberra
the next day, but was told that the Bill had to go through.56 Accord-
ing to the Treasurer, the legislation aimed to place friendly society
dispensaries and private chemists on an 'equal footing'. Under sec-
tion 121A, dispensaries were to be required to pay tax on 10 per cent
of the amounts they received from the Commonwealth under the
National Health Act 1953, and from trading with both members of
the public and their own members. Income derived from members'
annual contributions was exempt.

An objection was raised that it was unjust to enact such an unfair
measure in the 'dying hours' of the Parliament, but to no avail.57

Henceforth, dispensaries were taxed at a special rate, which in prac-
were such surplus to their turnover. This tax was imposed whether or not an operating surplus or deficit was achieved. It was much more onerous than that imposed on co-operatives and allowed no reductions for expenses such as staff benefits and superannuation. It assumed that profits were 10 per cent of gross income.

Since 1947 three independent Commonwealth Committees of Inquiry—the Spooner Committee of 1952, the Ligertwood Committee of 1961, and the Asprey Committee of 1975—have all recommended to the Government that friendly societies should not be taxed on business conducted with their own members. According to D.W. Stephenson, president of the Federal Dispensaries Association, the dispensaries protested to every Treasurer up to 1982, when the law was finally amended.

'It was deadly,' said Stephenson in an interview in 1982. 'No incentive! We never gave up. We fought fought fought. We saw every Treasurer right up to the present one.'

Since July 1982 the dispensaries have been taxed only on the actual profit made from sales to non-members, on their income from government and on their investment income. But, by this time, the dispensaries had been subject to an unfair tax for 27 years, a tax which took its toll and contributed to the decline of many of their number.

The dispensaries today

'Service with an ear to the market'

These were the words used recently by the manager of the modern Ballarat UFS Dispensary when asked to describe the ethos of today's friendly society dispensary. The dispensaries began as vigorous local democracies, established by committees of lodge delegates, often in opposition to their leaders. They put a high value on their autonomy and on each member's playing a part in running the organisation. This spirit survives today, though few members are active participants. Most join because they receive a better service than they could obtain elsewhere, and largely, they join for the discount.

In 1981 dispensary memberships were as follows: Queensland, 50,000; New South Wales, 18,000; Victoria, 50,000; Tasmania, 2000; Western Australia, 40,000; South Australia, 100,000—a total of 260,000 members.

In Tasmania there were two dispensary associations. The Hobart dispensary had 938 members and ran two shops. The Launceston dispensary had 1153 members served by a single shop. Neither association was thriving, though both accepted direct members. Unless major changes were made, both were unlikely to see out the decade. In Western Australia, too, the picture was unpromising. There was a dispensary at Boulder, and Perth and Fremantle were covered by Friendly Society Pharmacies, which ran nine shops. But, in early 1983 these nine shops had been franchised to private chemists and the organisation was in the hands of an official receiver. South Australia was thriving, its expansion only held in check by a repressive law. In Queensland, the dispensaries were generally quite strong. The situation in NSW was generally one of decline, with only a couple of dispensary associations flourishing. In Victoria, there were two hopeful developments amid the general decline: the growth of the Ballarat UFS Dispensary, and the emergence of the Friendly Societies' Cooperative, by the end of 1982 had opened two new shops.

South Australia

In 1982 the FSMA had around 100,000 members. Contributions were $5.20 for singles and $10.40 for families. Benefits were a 40 per cent discount on non-government prescriptions, 40 per cent of the patient contribution for NHS prescriptions (for pre-1964 members) and 20 per cent off all counter lines. The Guild objected strongly to the FSMA's discounting policy. When the FSMA had first increased its discount from 10 per cent to 15 per cent the Guild described the move as one which foreshadowed 'the total collapse of orderly marketing and price maintenance' and sought (unsuccessfully) to persuade 'chemist-only manufacturers' to deny supplies to the friendly societies.

The FSMA operated 31 shops, 30 in Adelaide and one at Port Pirie. There was also the Mount Gambier UFS Dispensary, which traded from one shop. No direct members were permitted. Members had to join through an affiliated friendly society and were also required to contribute for some other friendly society benefit.

New South Wales

Decline in recent years has been rapid. Membership reached a peak just before the introduction of the Government's pharmaceutical benefit scheme. In 1947 there were 89,000 members. By 1957 there were 40,000 members and ten years later, 25,000. In 1969 there were 31 dispensary associations running 48 shops. By 1983, there were sixteen dispensary associations. Twelve of the sixteen associations were no longer running shops but had contract agreements with private chemists to supply members at previously obtaining levels of dis-
count. The amounts discounted by chemists were refunded weekly by the dispensary associations. The remaining four associations ran nine shops. In October 1982, nine of the sixteen dispensary associations were affiliated to the State dispensaries association. Direct membership was still not permitted, and the membership was ageing. Out of the 14,243 members in dispensaries affiliated to the State association, there were 11,686 pre-1964 members, compared with only 2557 who had joined since then.

Queensland
In 1982 there were 24 pharmacies with 47,800 members. The largest dispensary in Queensland was the BAFS Dispensary. In 1982, contributions were $2.60 for families and 90 cents for singles. Discount of 16½ per cent was paid on counter lines, and 25 per cent on non-government prescriptions. Six shops were being operated, one of which had only limited approval.

The BAFS Dispensary has prided itself on keeping a wider range of stocks than commercial chemists and on dispensing a relatively high proportion of non-proprietary medicines. If, for example, a person was suffering from some particularly virulent North Queensland fungus infection, the BAFS Dispensary was more likely than any other chemist in Brisbane to be able to dispense the requisite drugs.

The dispensary has also quietly maintained a policy of supplying medicines free when a patient could not afford them. The manager estimated that, during 1982, this was happening about once a week. And on one occasion a few years earlier, BAFS had supplied free of charge medicines worth about $1,200 to the parents whose child had contracted the often fatal infection, known as 'golden staph'. The child had been in a hospital not approved for the supply of government pharmaceutical benefit.

The Dispensary retained a formally democratic structure for members who joined through an affiliated lodge. The board of directors was elected at the annual general meeting, which was attended by one representative for each 100 lodge members in each of the 119 member lodges, with a limit of three representatives from any one lodge.

Victoria
The Victorian dispensary associations generally were not thriving in 1982. In 1968 there had been 34 dispensary associations running 53 shops. By 1981 there were 23 associations running 31 shops, whilst four associations had concessionary contracts with private pharmacists. Membership in 1968 had been 78,000. By June 1981 it was 45,841.

In 1970, sixteen out of 30 dispensaries made a trading loss after tax. In 1975 22 out of 26 dispensaries made a loss after tax. In 1981 all but two dispensaries made a loss. The requirement that they must pay tax as if they had made 10 per cent profit plainly had a very damaging effect on these pharmacies.

In 1982 the benefits offered by dispensaries varied enormously. Annual contributions varied from $1.00 to $8.00, with an average of $3.60. Benefits varied too. Discounts to pre-1964 members ranged from 30 cents to 80 cents, with two dispensaries giving no discount. Non-NHS prescriptions were discounted at figures from 20 per cent to 50 per cent off Guild prices. Discounts on counter lines varied from nil to 20 per cent, with most at 10 per cent. Some dispensaries would only permit existing friendly society members to join, but the majority accepted off-the-street members.

In August 1981 the Friendly Societies' Co-operative was established to operate pharmacies in Melbourne. By the end of 1982 two shops had been opened, one at Mt Waverley and one at Wantirna. Family membership cost $6 per year, less for singles and pensioners. This entitled members to a 15 per cent discount off all purchases with the exception of the NHS prescription charge, which by law cannot be discounted. The Co-op was established by a few leading figures in the Victorian movement who were frustrated by their failure to convince existing dispensary operators to modernise.

A second major bright spot has been the Ballarat UFS Dispensary. It was the most successful in Victoria. In 1982 it was operating four very successful shops. Between 1970 and its centenary year, 1980, the number of shops increased from two to four; the number of staff from fourteen to 40, and annual income from $250,000 to $1,600,000.
8 The dispensaries

1 Haines, 1976, pp. 14, 19, 21.
2 Haines, 1976, pp. 22, 121.
3 AMJ, 2 August 1847, p. 8; Haines, 1976, pp. 35–6; see also FSAIC, 1883, Q. 10178; MJA, 26 October 1918, p. 357.
4 FSAIC, 1883, Q. 10154–10158; Minute Book, 10 October 1874–5 June 1879.
5 FSAIC, 1883, Minutes of Evidence, Q. 8993.
6 FSAIC, 1883, Q. 9192, 9134–9136, 11245; see also Q. 9378.
8 Haines, p. 33; AMG, 20 October 1900, p. 439.
10 BAIFSD, 1916, pp. 26–7; RCNI, 1924–25, Qs. 881, 6299.
11 FSAIC, 1883, Q. 11089.
12 OMI, 1850, Law 13; MIUOOF, 1965, p. 5; Dispenser’s Quarterly Report, 1866.
13 GUOOF Magazine, September 1886, p. 12; Eighty Years Service Souvenir, Newtown UFS Pharmacy, 1967.
14 Rules, 1888; RCNI, 1924–25, Q. 43; FSAIC, Year Book, 1940.
15 VRCS, 1876, Minutes of Evidence, Qs. 1249, 5177; AMJ, May 1871, p. 159; Court Perseverance, AOF, 2727, Minute Book, 2 January 1871–4 February 1879.
16 RCNI, 1924–25, Qs. 10564, 11640, 11646, 11655.
17 RCNI, 1924–25, Q. 6256; Registrar (WA), Report, 1924, p. 16.
18 RCNI, 1924–25, Qs. 5341–2, 5348, 5358, 5362, 5364, 5367.
21 Registrar (Old), Report, 1924, p. 8.
22 AMG, 20 August 1909, p. 453; 20 February 1911, pp. 91–3.
23 AMG, 20 February 1911, p. 92.
24 AMG, 20 September 1911, pp. 541–2; 20 October 1911, p. 630.
25 AMG, 8 February 1913, p. 129; MJA, 9 January 1915, p. 40.
26 Our Australia, 16 May 1928, p. 2; FSAIC, NSW, Year Book, 1940.
29 FSANSW, Minutes, 20 November 1934.
30 Interview with Keith Moon (February 1983), former Grand Secretary, UAOD, South Australia.
31 Haines, p. 241.
32 Watt and Walmsley, 1972, p. 93.
33 Bruck, 1896, p. 56.
35 Haines, 1976, p. 238.
36 FSA, New South Wales, Minutes, October 1936; FSAIC, Year Book, 1938, p. 18.
37 FSMA, Minute Book.
9 Voluntary or compulsory combination?

1 Manchester Unity Journal, Sydney, 1943-44, passim.
2 JCSS Sixth Interim Report, Appendix C.
3 Jones, 1980, pp. 34-35.
4 Hunter, 1966, p. 317; JCSS Sixth Interim Report, Appendix B.

5 JCSS, Sixth Interim Report, Appendix D.
7 JCSS, 8th Interim Report, March 1944, Appendix A, p. 40.
8 MJA, 21 April 1945, p. 406; Manchester Unity Oddfellows' Magazine, Melbourne, November 1944, p. 221.
9 Scott-Young, 1962, p. 23.
10 Dampney, 1951, Appendix A.
12 Interview with Len Dunstan, former Grand Secretary, MUISOOF, Queensland, 13 August 1982.
13 MJA, 26 November 1949, p. 786.
14 Smedley and Ridley, 1948, p. 49; Smedley, p. 289.
15 MJA, 9 June 1951, p. 848-50.
16 Federation of Local Associations Affiliated with the New South Wales Branch of the BMA, circular, The Oddfellow, Sydney, 25 September 1950, p. 5.
17 16 Geo. V. No. 24.
19 Director-General of Health, Annual Reports.
21 MJA, 5 November 1955, p. 752.
26 Hunter, 1963, p. 36.
28 para. 134.
29 Queensland Oddfellows' Magazine, 1 January 1945, p. 9.

Conclusion

4 Beveridge, 1948.
7 ibid.
8 See Maynard and Ludbrook, 1980.
9 AMG, 20 September 1999, p. 520.
10 Somers, 1971, p. v.
11 ibid., p. vi.
12 ibid., p. 17.
13 e.g. Sax, 1972.
By the middle of the nineteenth century the friendly societies were a major presence in every Australian town. They were known for their organisation of medical services, for organising the supply of medicines, for their sick pay, and the help they gave to those who fell on hard times. This book charts their rapid growth as from the 1860's until the early 1950's between a quarter and a half of all Australians were directly benefiting from friendly society services.

For most of Australia's history, friendly societies were the one place ordinary Australians could turn. By the 1950's national health and the organised medical profession had turned them into little more than health funds. Until then the mutual aid societies provided for doctors, medicines, small loans, even housing and retirement.

In the early years of settlement, even the family doctor depended on his quarterly cheque from the lodge. But doctors came to need the lodges less. The battle between the professionals and the consumers over control of medical care raged for thirty years around the turn of the century. Fee-for-service medicine, once reserved for the wealthy, became the rule. And the fees began to rise.

In their belief in one another, and in the individual efforts of free persons in mutual concert to solve problems, and to provide a time-tested basis for solving problems as yet unknown, friendly societies are social dinosaurs today. They could however be the way of tomorrow.

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