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"The dustbin or the archives: Australian business attitudes to the[ir] past"

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It is surely correct to say that archives are among the most useful resources available to historians.

For the next 20 minutes, however, my focus is not how you regard them. Rather, my focus, based on my work for the past seven years at an archives collecting business history, is what attitude Australian business leaders and firms themselves take towards archives. Should we, should you be relaxed and comfortable or alert and alarmed?

Reasons for retaining archives

There are four classic reasons archivists advance as to why businesses should retain records as archives:

- Good corporate citizen:

This is a version of the 'triple bottom line', or 'corporate social responsibility' rationale, namely that business should accept a share of responsibility for preserving the national's cultural heritage.

- Presumed business benefits:

(i) archives can be a substitute for disintegrating corporate memory as life long employees retired.

(ii) They can learn from experience (as captured in the archival records): a firm's informed knowledge of its own DNA can provide perspectives necessary for a proper understanding of current problems. Honda and the notion of 'design amnesia' are usually cited at this point. To quote the American archivist James Fogarty, 'Companies without practical mechanisms to 'remember' what worked and what

didn't in the past are doomed to repeat failure and rediscover success time and time again'. A variation of this argument relates to the whole corporate culture movement in the 1980s suggesting a link between excellent companies and their self awareness and self understanding; and
(iii) It's good public relations: this argument converts the idea of the triple bottom line into SRI (socially responsible investing), implying that investors and consumers are more likely to support companies willing to communicate information about their accomplishments.

- Concrete business benefits for preserving archives:

- (i) their value as a resource supporting anniversaries;
- (ii) as evidence of entitlements, licences, trademarks; vital documents, i.e. those documents which underpin the legal existence of the business and must be kept for the life of the company;
- (iii) documenting a PR image of reliability, tradition, embedded in the local community, etc, and
- (iv) as a defence against attacks on one's reputation.

- Direct benefits

Occasionally there are incontrovertible and highly lucrative benefits, such as protecting millions in mining royalties by defending oneself with conclusive documentation in disputed exploration licences; re-processing of analogue seismic exploration records; and most recently, the use of historical mining records by Ballarat Goldfields and Bendigo Mining to build three dimensional maps of old workings.

The Australian reality

Actual behaviour of businesses would suggest that these arguments are rarely taken to heart, if heard at all. *In this country*, it is unusual to find vast caches of documents retained on the scale of, for example, the Rothchild archive and made available to scholars such as Niall Ferguson with such confidence and maturity*. *In this country* at least, most businesses do not operate their own corporate archives. A few banks did, and fewer do now; and so do one or two resources and accounting/consulting concerns. A few combine archives management with their information and

* As an aside, are there equivalent collections still with the Smorgan Gandel Hains Baillieu Myer Palazzo Lowy Pratt Besen Liberman and Valmorbida families?

knowledge management sections. Most have not pursued the alternative, either, that is, outsourcing management of their older material to an archives or library. As for any collective valuing of archives, the Business Archives Council of Australia which flourished for several decades in Sydney and Melbourne, long ago became an historical curiosity.

Four powerful dis-incentives tend to operate in Australia. The first two I'm sure apply elsewhere, if not universally. The final two are cultural and specific to Australia

Cost of retention

The first and most obvious dis-incentive is cost. Despite the prevalence of B2B and e-commerce generally, and the wide spread use of digital communications, accumulations of massive quantities of paper documentation are an issue for most businesses. To any cost conscious company accountant, bulk warehousing of documents, and retrieval of papers from them usually needed urgently, says 'overhead', not 'value added'. In today's supposed paperless world, migrating and accessing legacy data is equally not without cost.

Company liquidators, who often see this mass documentation more starkly than most, are if anything even more cost conscious.

Risk of retention

Coupled with cost is the calculation of risk, including the likelihood of documentation older than 5-7 years for possible legal, investigative, staffing, reporting or longer term financial requirements. Business firms can be subject to specific legal requirements or operate in a highly litigious environment. All other things being equal, most believe it is safest to commit as little to writing as is necessary in the first place, and have as little old documentation lying around as necessary.

'Playing it safe' seems to have motivated those starting the fires at Sir Mark Time's Blue Sky Mines, or to give it its full name, Blue Sky Mines (No Liability Except At Gunpoint). We might also recall Alfred Chandler's warning that lawyers were the natural enemies of history because of their tendency to destroy rather than preserve potentially sensitive corporate information.

Let me end this section by quoting an e-mail received in December 2005 from a friend the University Archives was using as an intermediary in pursuit of the archives of a renowned Australian

business family. "I have spoken with Y", the intermediary-family friend wrote,

and she thought there have been a number of books written about X's business and what more would people be interested in! I tried to suggest that for research purposes, we don't know in advance the use historians from many fields will find in the papers. She then mentioned that X is very paranoid about taxation issues. I explained that the Archive specialises in business papers. She said she would mention it to the family. Whatever they reply, this will open the opportunity for me to introduce you to Y so you can put the argument more effectively.

Red tape

A dislike of so-called 'red tape', one of the core hates of the average Australian businessman, links to a basic dislike of bureaucracy and 'Canberra' and can be traced back as least to the Eureka Stockade of 1854, significantly an event celebrated by the mining industry as a clash between government licensing and free enterprise.

Whether one calls it red tape or regulation, businesses small and large don't like it and organisations such as the Business Council of Australia and the Council of Small Business Organisations seem to say so about as often as governments announce elections, budget consultations and taskforces to do something about it, while all the time continuing to create new needs for documentation! As Justice Owen said in his 2003 HIH Royal Commission report:

We live in a dirigiste age. Each year there is a dramatic increase in the size of the statute books. Almost every facet of life is governed by rules, regulations, proclamations, orders, guidance notes, codes of conduct, and so on, prescribed by governments or recognised agencies. The courts, through the common law, add to the plethora of rules to which we must have regard.

Attitudes to History

Finally, there is the attitude of Australian business firms and businessmen and women to history, to the past. We have no experience of banks or chemical car and business machine manufacturers needing to explain (quoting archives) their actions during World War II, nor indeed their use of plantation slaves pre-civil war. Yet consider the following points:

- As a formal focus of study history is not incorporated into Australian MBAs, as for example at Harvard.
- The company histories that businesses commission and admire are typically celebratory, based on interviews, and carefully vetted; the worst are more than half photos and little more than corporate hubris. Their preferred subject matter is wealth creation, innovation, hard work reaping reward, and growth; *it certainly is not* letters of comfort, price fixing, pressuring government and suppliers, environmental degradation, selling unhealthy products, subliminally advertising, loss leader pricing, paying special fees to secure overseas' sales, strike breaking, keeping wage costs down, and the destruction of shareholder value by lucrative directors' share options.
- The business sector's commendable growing awareness of the importance of community, safety, sustainability and good governance to date has not extended to any sentimentality about iconic Australian companies, brands or products, and certainly not about its documentary heritage.
- When sponsoring prizes, scholarships and supporting heritage centred good causes, the private sector's focus is rarely if ever history projects and history books and historical productions. Rupert Murdoch's funding of *Cinesound/Movietone* newsreels at the War Memorial and BHP's support for Newcastle' *Ribbons of Steel* project are simply rule proving exceptions.

While preparing this talk the inaugural appointment was announced to an eponymous chair established by Richard Pratt, billionaire and maker of acid free archive boxes, at Swinburne University - a chair in entrepreneurship, not economic history.* Indeed one could cite quite a list (starting with the Lowy Institute, the Sydney based international policy think tank) where enlightened business generosity supporting research seems blind to the importance of evidence based research of its own past.

- If history must be preserved, Australian business seems to prefer the tourist site/hall of fame/museum. Sovereign Hill, Ballarat, the Prospectors and Miners Hall of Fame at Kalgoorlie-Boulder and the Stockmen's Hall of Fame at Longreach are good examples. We have nothing equivalent to the Hudson's Bay History Foundation.

* No disrespect of course to the inaugural appointment, Professor Tom McKaskill!

What is to be done?

Lenin's famous question from a century ago is one I've fortunately run out of time to answer. If I did seriously try, I would urge that economic and business historians *and* archivists and librarians alike develop their solutions from the perspective of realism. As generators of archives, business firms and individuals are at the top of the archival food chain. The problem lies and the solution starts there. The outlook is pessimistic and we should acknowledge that reality, just as there was more truth, if tragedy too, in Arthur Miller's Willy Loman than Horatio Alger's Ragged Dick.

In my bleak view, Australian business sees archives as too costly, too risky and too much like red tape to bother, and sees history as something to be celebrated rather than critically analysed by scholars.

Is it accurate and if so will the Australian firm's view of itself change? Of course I have generalized, using as a model a firm which looks out aggressively and defensively. Would a different model, which regards all firms as essentially unique and which wins by being better, cleverer quicker and introspective, behave differently? Will change come as the first post war generation of immigrant industry captains such as Sir Arvi Parbo begin to reflect and reminisce?

Finally, does this matter? David Merrett for one has been saying for years there is still much unmined material in our public and university libraries and archives. And it is now seven years since Simon Ville wrote:

Corporate memory in Australia is remarkably robust. The primary records of an encouragingly large and representative proportion of Australia's leading corporations have survived. It is hoped that researchers and corporate decision-makers will be encouraged by our findings to make full use of this source of competitive advantage and to acknowledge and support the continued development of this memory bank.

If Australian business *does* undervalue archives and archiving, it is our problem – and yours.

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Australian Prospectors and Miners Hall of Fame

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