THE CAPITAL-LABOUR RELATION
IN THE MINING SECTOR

H. THOMPSON

INTRODUCTION

> "In few industries is there such bitterness
> between Capital and Labour.   Traditionally,
> gains by either side of the industry have
> been achieved by struggle and not by bargaining.
> The mining industry has a character of its
> own."[1]

There are a number of significant popular miscon-
ceptions about capital-labour relations.   First, strikes
and the capital-labour relationship are often taken to be
synonymous, and an absence of strike activity is equated
with harmonious industrial relations.   However, an
absence of strikes does not mean an absence of conflict.
Conflict is also manifest in bargaining, work to rule,
boycotts, work bans and limitations, political action in
the form of strike-breaking or arrests, sit-ins,
absenteeism, alcoholism, low morale, low productivity,
material wastage, inefficiency, go-slows, labour turnover,
unjustified demands, arbitrary discipline and punishment etc.

Second, militant union representatives do play a role
in articulating conflict, but to identify 'agitators' as
the instigators of industrial disputes is to confuse the
instrument of conflict with the cause.   A number of
studies indicate beyond doubt that the so-called 'agitator
thesis', that is, attributing strikes to the manipulation
of trade unionists by irresponsible leaders, has no basis
in fact.[2]   Agitation does not arise without widespread
grievances.   It is the militant who dares raise these
grievances with the managerial hierarchy.

Third, even with regard to strikes alone   there is,
in public discussion, an overemphasis on strike statistics
rather than the specific analysis of capital-labour

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relations at the shop floor or mine site.   The statistics themselves give a distorted image of that which they purport to measure.   For instance, in the United States, a strike is recorded if it lasts a full shift for all workers on shift.   In Britain, on the other hand, a strike must last a full day, involve 10 workers or lead to a loss of 100 working days before it is recorded.   In Australia, a strike is any stoppage which adds up to 10 working days or more.   So, if 80 workers were to engage in a one-hour stop-work meeting in any of the above countries, it would be recorded as a strike statistic only in Australia.   The inconsistency of these definitions means that strike data cannot be accurately compared between nations.   It should also be noted that compared to other costs, strike costs are insignificant.   In Australia, absenteeism, unemployment, industrial accidents, alcoholism and the common cold are all more expensive and more detrimental to the economy than strike activity.   The main difference is that strikes challenge the hierarchy, authority and stability of the system.   The other factors do not.[3]

The widely held belief that strikes are the sole indicator of conflict is promoted, with specific reference to the mining sector, in the media, the industrial commission and by the commissioners themselves.   For example, in 1981, Commissioner Collier speaking at a meeting called to form a Pilbara sub-branch of the Industrial Relations Society said ...

> "industrial relations in the Pilbara were at
> an all-time low.   The Pilbara has 5 per
> cent of the State's workforce and accounted
> for 60 to 70 per cent of total time lost."[4]

These remarks were widely reported in the media. Later that same year the Chief Industrial Commissioner for Western Australia, E.R. Kelly, said in his annual report to the Western Australian State Parliament ...
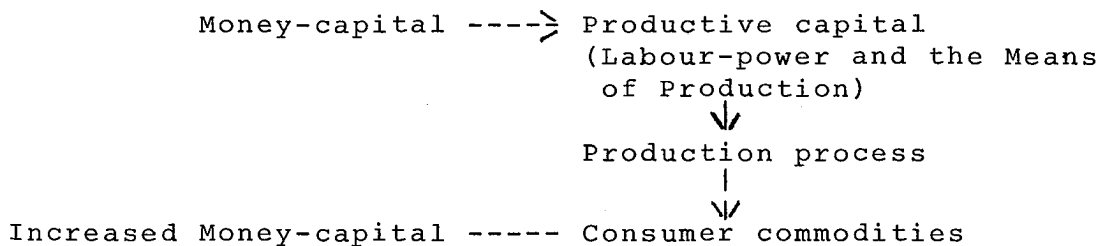
> "that there were more than three times as
> many strikes in the iron ore industry as in
> the rest of the State's industry put together.
> Workers were responsible for nearly half of
> the total time lost in Western Australia.
> One would have to add substantial loss of time
> through stand-downs and production losses
> caused by a variety of bans and limitations.
> This is a situation which simply could not be
> permitted to continue."[5]

It would be hard to imagine a Commissioner arguing that alcoholism and the common cold "could not be permitted to continue".

Most conflict, disputation and manipulation goes unreported unless it ends up in a strike. This is a major and continuing problem in developing a proper understanding of capital-labour relations. The production process should be seen as a function of potential output and the intensity of labour effort required to achieve this potential. The pursuit of intense labour effort by management involves the establishment of a variety of control techniques and a response to these techniques by workers or their representatives in the trade union structure. This realm of conflict, often described as the 'frontier of control', varies from the simple daily confrontations between supervisors and workers to the more complex rules of order handed down in industrial courts. The coal and iron ore mining sectors will be used to provide concrete examples within the context of a theoretical examination of the social relations of production.

THE CAPITAL-LABOUR PROCESS

In any capitalist dominated social formation labour-power exists as a commodity to be purchased and sold in the market-place as any other commodity. Capitalist employers invest money-capital in the forces of production such as raw materials, machinery, equipment, labour-power and other commodities needed for production. It is then necessary to organize the social relations of production so as to set the production process in motion to produce useful goods and services. By selling these goods and services, capitalists are able to re-convert their expenditures back into money-capital so as to begin the process over again. It is only through the successful transformation of money-capital in the beginning to an increased amount of money-capital at the end of this process that capitalist production will continue to take place. This process can be portrayed as follows :

$$\text{Money-capital} \longrightarrow \text{Productive capital}$$
$$\text{(Labour-power and the Means}$$
$$\text{of Production)}$$
$$\downarrow$$
$$\text{Production process}$$
$$\downarrow$$
$$\text{Increased Money-capital} \longrightarrow \text{Consumer commodities}$$

The important starting point in any discussion of the capital-labour relationship is where the representatives of each category come together in the labour-market. In the labour-market the capitalist purchases the right to a certain quantity of the worker's ability to do work. This potential of labour, or labour-power, is normally

defined in time units and its capacity, or potential
productivity, is dependent on a number of factors
including technology and the skills and education of the
worker. The potential productive force of labour-power
is useful to the capitalist only if work is actually
carried out. After having purchased the _potential_ of the
worker, it is now incumbent upon the capitalist to see
this potential maximized in terms of _actual_ human effort
in the process of production, i.e., labour on goods and
services. If labour-power remains only a potentiality,
money-capital will not increase, profits will not be
earned, capital accumulation will not take place and the
logic of the process collapses. Through organizing,
manipulating and controlling the social relations of
production the capitalist attempts to transform poten-
tiality into actuality.

On the other hand it is in the workers interest to
maximize the wages received for labour-power and to
minimize capitalist control over the amount and conditions
of labour effort. It is therefore inevitable that a
conflict will ensue over the intensity of labour effort.[6]
The rate of unemployment, worker disunity and capitalist
control over the workplace are important elements
influencing the outcome of this conflict. It is clear
in the mining sector as well as the economy as a whole
that threats of dismissal, retrenchment or closure of
plants is a more powerful weapon in the hands of manage-
ment than it is when the economy is characterized by high
profitability and full-employment. Full employment in
the late 1960s and early 1970s made it especially difficult
for companies to screen out activitists because of the
scarcity of skilled labour. Since 1975, and the ensuing
recession, labour recruiting processes have been tightened
up all across the nation, real wages have declined and
workers on the job have become more docile and concerned
about their long-term future. The Australian Bureau of
Statistics confirmed that working days lost due to
industrial disputes in the metal manufacturing industry
in the first six months of 1982 were the lowest for the
comparable period than they had been since 1966.

Trade union solidarity or the notion of "united we
stand, divided we fall", is a clear recognition by
workers that division in the ranks will lead to a
significant loss of power for workers on the shop floor.
Demarcation disputes, personality clashes and relativity
wage arguments between sections of the workforce will
ultimately enable management to play certain groups of
workers off against others so as to increase the overall
intensity of effort.

Worker resistance to management power is conditional
upon a shared sense of legitimacy. This sense of

legitimacy must overcome both the notion that it is the duty of every employee to obey all lawful instructions and the socially accepted myth that each of the parties to an employment contract come together on the basis of freedom and equality of choice. This ideological notion of the contract gives management the right of unilateral rule-making power. Unionists, tied by this ideology, limit themselves to struggle over what can be called job-property rights. Relativities, demarcation, 'last in - first out', men having priority over women, attrition instead of redundancy, etc., all are issues based on job-property rights which tie workers to managerial legitimacy in general, with the illusion of capital-labour conflict taking place.[7]

The solidarity of trade union members or combined union committees is an important factor influencing the result of any management-union conflict or negotiation. The importance of this fact is normally recognized by the workers themselves. This was shown recently when members of the Electrical Trades Union (ETU) walked off the job at one of the iron ore mine sites of Hamersley Iron in the Pilbara. The reason for the walk-out was that an ETU member had resigned from the union and was continuing to work on site. Other ETU members refused to work with someone who accepted the benefits gained through union struggle but refused to continue as a member. The following day, as a matter of principle, all other trade unionists on site walked off the job. The company had no alternative but to dismiss the non-unionist so as to start the production process again. The complicating factor is that Section 100 of the Industrial Arbitration Act of Western Australia makes it an offense for a company to dismiss a person from employment for union membership or non-membership. Hamersley Iron is obviously in violation of the Act and can be charged with an offense by the State Government.

Given the importance of solidarity to the unions in the iron ore industry, a policy directive was announced by the Mining Unions Association of Western Australia. They announced that "they would call for immediate stoppage of work throughout the mining industry if any company employs non-union labour or continues to employ anyone who opts out of a union." The resolution is being taken to all mining workers in the state. It was also announced that the mining unions were to send a delegation to the Japanese consulate to make the workers' views known and that the government and opposition party will be called upon to abolish Section 100 of the Act. Support is also being sought from the International Metalworkers' Federation.[8]

Management control of techniques can be subdivided into simple control - which includes disciplinary measures, the use of a stop-watch to measure speed of performance, time and motion studies and foreman pressure tactics ; technical control - which utilizes the pace of machinery or equipment to direct worker activities of which the assembly line is usually used as an example ; and bureaucratic control - which is based upon coercive or negotiated rules of order.

SIMPLE CONTROL

Managerial authority normally exists within a context of overall legitimacy which is generally accepted by the workforce. Yet specific acts of authority may be continually challenged and may continually require renewed legitimation. Detailed control can never be completely spelled out or clarified and this provides for what is called a "frontier of control". This "frontier" is the point of immediate and continuous day-to-day contact between the workforce and managerial representatives. In mining towns the "frontier" is not necessarily limited to the shop floor or mine site.

Claire Williams strikingly describes the extension of the "frontier of control" with reference to the coalfields of northern Queensland run by the American mining giant, Utah International Incorporated. In Utah towns workers are given coloured safety helmets to wear to distinguish them from the "white-hats" of the managerial staff. The workers also receive ascriptive housing which is smaller and designates a particular lifestyle. Wage-workers are housed in geographically low-set three bedroom houses ; foremen in high-set four bedroom houses, selectively placed amongst the low-set ; and higher management live in large palatial style dwellings situated on a slight incline in the centre of town serviced by professional gardeners. Williams says that "one of the most striking features of Utah's mining towns is the overt class nature of the environment which was structured physically in the housing." [10]

This overlay of hierarchy was combined with a variety of controls at the workplace for Utah workers. In 1974-75, a scraper driver talked of the work stress caused by being timed while he tried to unload : "New machines, men watching you with a watch all day. You're supposed to lay a load in under a minute." [11] This situation is almost identical to the one across the continent described by iron ore truck drivers at the Cliffs Robe River iron ore mine in the Pilbara. These

workers told the author of being "timed by stopwatch
from the mine to the rail loader by a man in the control
tower with binoculars 'perving' on their activities in
1982."

Another example of struggle at the "frontier" took
place in 1981 in the Pilbara when workers went out in
support of their shop stewards.   The shop stewards
were fighting for the right to counsel any employee
or group without being marked absent without leave (AWOL).
The trouble started when Hamersley Iron withdrew the
policy of allowing shop stewards to identify which
employees needed industrial advice.   A spokesman for
the combined union committee said, "the company is
happy to call me out of bed to settle a dispute to get
workers back to work.   But if I decide to offer
industrial advice then the company marks me AWOL."
Time is then deducted from total hours worked affecting
wages, annual leave entitlement and long service leave.[12]

The "human relations" school of management, perhaps
a sophisticated development of simple control, argues
that "workers must be treated as human beings and managers
must recognize their individual traits and characteristics.
Failure to do this will simply strengthen the appeal of
trade unionism.   The key to this school, as Hawkins
suggests, is leadership :   "the kind of leadership that
would re-awaken a genuine sense of team spirit within
the enterprise while firmly endorsing the position of
management at the head of the team."[13]   The human
relations style views conflict as a result of insensitive
leadership and poor communications.   It is assumed that
industrial peace is the norm and that industrial conflict
is deviant.   Good morale and high productivity are seen
as a function of good communications, good leadership
and supervision on the shop floor, and a good system
of informal relationships.   The "team" or "family"
spirit eliminates the need for harsh supervision.

TECHNICAL CONTROL

Conflict between capital and labour always occurs
under particular historical circumstances in a specific
economic and social context.   As Marx argued :

> *"People make their own history, but they
> do not make it just as they please ;
> they do not make it under circumstances
> chosen by themselves, but under circumstances
> directly found given and transmitted from the
> past."*[14]

The amount, level, type and speed of technical change are part of these specific historical circumstances. The only body of literature in which the relationships between technical change and capital-labour conflict are systematically examined is the Marxist literature on the labour process. These writings see technical change not as 'neutral' with respect to labour but on the contrary, chosen in order to facilitate a general system of control and coercion by capitalists and management.[15]

Technology in the mining industry has evolved partly to deal with troublesome labour ; it has also evolved in relation to the unit size and capacity of machines and equipment. Shovels, scrapers, dozers, drills, trucks and conveyor belts are the basic implements in both iron ore and coal mining ; and crushers, beneficiation plants and washing plants the main processing equipment of the mine sites. The production process includes removal of the overburden, extraction of the ore and transportation by haulpak trucks to the loader or preparation facility. The aim of preparation (beneficiation) is normally to upgrade the quality of the product. This entire process involves moving thousands of tonnes of earth quickly and efficiently so the size of machines and equipment, rather than complexity, determines the need for a highly capital intensive operation. Hince points out that Utah has consistently used the largest capacity draglines, shovels and trucks permitted by existing technology and economic viability.[16]

One example of capital-labour confrontation with reference to managerial prerogative and technical change took place early in 1981 at one of the Hamersley Iron-ore mine sites. In December, 1980 the company put into service, without consultation with the relevant unions, two Caterpillar 992C Frontend Loaders at the mine face. These two loaders with very large capacity and significant mobility were meant to take much of the work load previously handled by the largely immobile shovels. The immediate problem was that the Federated Engine Drivers and Firemen Union had union coverage over shovels and the Australian Worker's Union had coverage over front-end loaders. Seeing the threat to their jobs caused by this unannounced arbitrary decision, the FEDFU responded in January, 1981 by passing the following motion :

> "Any machine which operates on loading trucks or working in the face digging ore will be constitutionally covered by the FEDFU."

The company immediately applied for a conference
before the Industrial Commission, suggesting that "there
is in existence an impending dispute with the FEDFU which
would result in serious consequences ..."   As a result
of a compulsory conference before the Commission, it
was strongly recommended that the status quo be maintained,
i.e., that members of the AWU continue to operate the
front-end loaders, pending resolution of the dispute by
arbitration.

On February 4, the FEDFU went on strike and by
February 11, the Company advised other unions of selective
standdown procedures.   On February 16, the Commission
ordered the FEDFU back to work under threat of possible
de-registration.   The presiding Commissioner took the
opportunity to severely critize the shop stewards and
the union because of their violation, in his opinion,
of the status quo.   Not once in the proceedings did the
Commissioner recognize the issue of technical change,
or more importantly, the necessity of participation
in decisions affecting their work and jobs by the workers.
The status quo of managerial prerogative blurred the
vision of the Commissioner and he assisted in enhancing
technical control over the workforce.

Technical control reduces workers to attendants
of electrically operated equipment.   This combines
with simple control which reduces the worker to a paced
set of motions determined by others, and bureaucratic
control which institutionalizes hierarchy and power by
embedding rules in the social relations of production.
Technical control is embedded in the physical and
technical aspects of production.   It is built into the
design of machines, the industrial architecture of the
plant and the lay-out of the mine site and its facilities. [17]
This control is social.   It is not that things manipulate
workers, but rather the social relations embedded in those
things which provide for the function of control.

> "Strictly speaking ... it is not the machine
> which threatens the workers' security, it is
> the machine owned and controlled by someone
> else.   Technical change as such could in
> principle be wholly welcome to the worker
> and to society, allowing more to be produced
> with less drudgery.   It is not inanimate
> machines that throw men out of work, but the
> decisions which are taken as to how these
> machines shall be used.   It is because the
> worker lacks any direct control over these
> decisions that his desire to establish a
> right to his job is always a source of
> conflict." [18]

It is clear that this work experience in mining
is similar to the conditions appropriate to assembly

line or automated production systems.   The experience
appears to expand into the circuit of consumption.
As Waters argues, under conditions of assembly line
production, workers tend to move away from the workplace
as a focus of solidarity and towards the material
conditions of home life.   This is variously described
in the literature as 'instrumentalism', 'economism',
'privatisation', or 'embourgeoisement'.   Overall,
what is being described is a significant re-orientation
of union activity towards pressing claims for improved
material rewards and working conditions within an
established structure of representation at the expense
of losing power and control of decision-making at the
level of the shop floor or mine site. [19]

BUREAUCRATIC CONTROL

Bureaucratic control is designed to separate
industrial conflict from power issues by institutionalizing
the conflict through mystifying legal procedures.   Challenges
to the day-to-day control of managers represents a political
challenge at the point of production to the hierarchy of
capital.   Therefore, it is incumbent upon capitalists to
make the company into an impersonal force beyond attack.
Rules, orders and expectations are built into job categories,
work processes, promotion procedures, wage scales and
relativities, discipline and the general definition of
responsibilities.   The control of "rules of order" can
go so far as to draw union officials into the joint
disciplining of workers.   In this way procedures
(customary practices) become a guide for supervision
and subordination.   Power then appears to emanate from
the formal bureaucracy and organization itself. [20]

The conciliation and arbitration system is incorporated
into this process by permitting debate around the terms
of worker obedience but taking for granted the fact of
worker subordination.   Collective bargaining and
arbitration are both acceptable to capitalist management
because neither one threatens any crucial management
rights.   To a certain degree both procedures even give
union officials a status and a professional stake in
the system.   The more the procedures are formalized
and adhered to on a regular basis, the more is the rank
and file relegated to the status of a passive on-looker.

Niland argues that the development of compulsory
conciliation and arbitration procedures in Australia
was a direct response to the strike wave of the 1890s. [21]
And Wild indicates that this development has largely

been a success :

> "Conflict has been held in check and
> bureaucratic procedures have successfully
> fragmented class conflict into separate
> spheres of industrial and political conflict.
> This division of spheres is common to all
> modern capitalist societies, except that
> it is more formalized in Australia, and it
> has been incorporated into the capitalist
> order ..."[22]

The authority of shop stewards and combined union committees on minesites is only grudgingly accepted by commissioners and many union officials. One effect of this is that unions on site exhibit a kind of scattered explosive quality - a rapid upsurge of anger coupled with demands and the application of sanctions. After a short interval, tempers cool down, union officials encourage a resumption of work, and the commission settles the dispute. This creates a type of "hit and miss" conflict setting based on the strength of personalities, with little or no thought given to strategy and discipline.

Terms and conditions covering the employment relationship in both the coal and iron ore industries are set by a variety of differnet interactions between management and unions. Legislation, common law and negotiation on site and at the company level are examples of these interactions. The "award" is at the heart of industrial relations in the mining sector and is central to the establishment of substantive work rules ; and various procedures associated with award making and its variation are the most significant processes of interaction occurring within the industrial relationship.[23]

Open-cut mining is a technically complex operation which itself increases the number and content of the rules to be estabished or the issues to be resolved. Detailed and complex sets of rules define and clarify job details, wage relativities, demarcation, environmental hazards and town facilities. Furthermore, "within an industrial relations system, at the plant level the location of such strategic (job) positions may have significant effects upon the relationships developed among the actors and how they are administered."[24]

Lovett points out that in the Pilbara, the 1969 Iron Ore Award had a significant influence in establishing site union structures, and at the same time, laid the

foundation for a level of mistrust and suspicion of the State union officials which remains in evidence to this day amongst rank and file unionists.[25] One feature of the 1969 Award is that it contained the first formalized grievance and dispute procedure to apply specifically to the Pilbara. The procedure reads in part, as follows :

> *"To facilitate the remedying of any grievance or the settlement of any dispute the following procedure shall apply, namely :*
>
> a) *The worker concerned shall firstly refer the grievance to his foreman or immediate superiors.*
>
> b) *The job steward on the site may discuss with the foreman any grievance affecting the workers he represents and, if the matter is not satisfactorily solved, he may discuss the matter with the industrial officer nominated by the employer to deal with such matters on the site.*
>
> c) *The industrial officer ... shall within forty-eight hours of discussing a grievance with a job steward, advise the job steward of the employer's decision on the matter (unless longer time periods are mutually agreed depending on the nature of the decision).*
>
> d) *If the matter is not resolved by the foregoing discussions the job steward shall notify the appropriate full-time official of his union and shall henceforth leave the conduct of negotiations in the hands of the union.*
>
> e) *Where a matter has been referred to the union by the job steward the union shall promptly take all steps necessary under its rules and under the Industrial Arbitration Act for the resolution of the matter.*
>
> 2) *A job steward shall not during working hours call or hold any meeting of the workers concerned with any grievance or dispute ... and there shall be no ban or limitation imposed whilst the above procedure is being carried out."* [26]

According to Lovett this formalized procedure was a benchmark because it recognized the right of shop stewards to involve themselves in matters relating to working conditions. Interestingly enough Frenkel reports that this procedure was opposed by some union officials who saw an enlarged role for the shop stewards as a threat to their authority. As restrictive as the procedure was in circumscribing shop steward activities the status of union officialdom was under threat. [27] Lovett concludes that the procedure was inserted in the Award at the request of the companies operating in the Pilbara at the time in order to gain some control over the growing power of the site union structures.

Yet by 1981, it was evident that the burgeoning site union committees had not yet been brought under sufficient control in the eyes of the State Industrial Commission or the iron ore managers. At the conclusion of a 70 page report, Industrial Commissioner B. Collier warned the iron ore industry unions that unless they behaved better they could face de-registration proceedings. He said that shop stewards had assumed roles never intended by union rules and had failed to meet their obligations. "The appalling results of power without responsibility," said the Commissioner, "pervaded the industry and must be cured in the interests of all." He continued, "if unions continued their active or passive support for the irresponsible iron ore ethos it was difficult to see how they, or at least some of them, could expect to retain their registered status in the industry ... Even if the company was guilty of all the allegations made against it, this would still not provide justification for the union's blatant disregard of its commitment." (Emphasis added.)[28]

The problems of management provide the basis for conflict and control. Within limits it is a zero - sum game with more wages and better working conditions meaning less profits and hierarchical power or vice-versa. Conflict may occur over remuneration, work conditions, work pace, work organization, total hours, rules procedures or workers' rights; but the certainty is that it will occur. According to Richard Hyman :

> "To define industrial relations in terms
> of rules is to emphasise the relatively
> defined, stable and regular aspects of
> employer-worker and management-union
> relationships : by the same token it is
> to play down the significance of conflicts
> of control in the labour market and over
> the labour process as manifestations of a
> fundamental and continuous antagonism of
> interests." [29]

MANAGERIAL PREREOGATIVE

At present, in all capitalist nations, there is
nothing for workers which corresponds to the principle
of "managerial prerogative". This is a major factor
in terms of any struggle for control of the work process.
Combined with the culturally accepted premise of
"profitability as a goal", managers are able to mobilize
their arguments and negotiating position with a strong
presumption of public acceptance. This emphasizes the
fact that concepts do more than describe reality. Concepts
are derived from the material reality and also assist in
constructing reality as it appears when certain class
interests are taken for granted.[30]

A specific representation of the construction of
reality can be shown by the transcripts of the Hamersley
Iron Award Negotiations in 1981-82. On the opening day
of negotiations, management representatives clearly
stated the company objectives.

These included :[31]

1) Negotiate a fair reward for a fair day's work.

2) To correct bad work practices, waste and irresponsible
   attitude and conduct.

3) To ensure continuity of job opportunity.

4) To implement manning levels consistent with needs
   of the operation and planned production targets and
   budgets.

5) To re-establish and maintain operations stability,
   continuity and reliability as requisites for optimum
   relationships with customers having regard for
   competition.

6) Improving total performance and becoming more cost
   efficient.

7) To obtain a more adequate return on funds invested/
   employed in the operations.

It is explicit that the company representatives here
are tying together the negotiations for wages with job
opportunity and managerial prerogatives, with the ultimate
goal being an "adequate return" on money-capital. The
interdependence between potential labour-power and actual
labour is out in front on the first day of negotiations.

If this is not yet clear it is pointed out in discussion
that in the event of any industrial action, on any issue,
taken by the workforce, all negotiations will cease.
In response to the original log of claims issued by the
unions, it is stated :

> "The union's claims are more than indicative
> to us of their endeavour to achieve more and
> more for doing less and less in our employment.
> Such a basic attitude is to us irresponsible
> and will have to be drastically changed to
> one of more positive values in keeping with
> the objectives stated by the company ...
> If I can put it bluntly, profit is not a
> dirty word ; profit we are not getting ;
> profit we are going to get. That is what
> we have to get if we are to make a package."
> (Emphasis added.) [32]

In response, the trade unions' delegate said :

> "You have mentioned your policy statement.
> Our policy is to represent the people you
> employ. I am a little bit disappointed
> that you did not refer to those people as
> such ; you referred to the profits and
> shareholders, but those people you employ
> are the major assets of the company ...
> the objective is to achieve a full settle-
> ment for those people - the assets, the major
> assets of the company." [33]

The above exchange shows that employment is both
an economic and political relationship. Workers are
required to take a subordinate position in return for
economic reward. Those who control the enterprise
and set its objectives define subordinate roles, allocate
authority, choose the products and technology and determine
the elaborate system of sanction and reward with which they
seek to secure compliance. This managerial authority is
grounded in law and normally has the power of the State
in support.

The way in which industrial relations are organized
will vary between the firms and at different points of
a particular firm's history. Typically, within
transnational mining companies, industrial relations will
be a special staff function located within a special
company department. There is always a concern that

industrial relations specialists do not become too
remote from the daily tensions and difficulties on the
shop floor and that foremen are given sufficient
authority to handle problems as they arise.[34]

However, as Hince thoroughly argues, industrial
relations departments may be as interested in creating
conflict as they are in making peace with the workforce.
Total industrial relations peace would have been an
embarrassment to the Utah Corporation in this scenario.
Stability would have the consequence of fluctuating
employment levels, slower commissioning of mines, or
massive unmanageable stockpiles.   Therefore, Utah
chose industrial relations conflict as a prime means of
regulating production to market requirements.   Market
and production technology constraints delineate the
desired level of performance and accordingly, Utah
adopted a "hard/soft" line on industrial issues manouvering
the operations as and when desired.   This broadens the
"frontier of control" to issues such as marketability of
ore, the nature of the production unit and associated
technology.   Hince goes even further to argue that other
factors (geographic location, social fabric, nature of
unions, political controls of state and federal governments,
ownership patterns of the companies) are less relevant
than the market and production technology in influencing
individual worker/union-management relations.[35]   While
Utah's management normally regards union presence at the
workplace as an alien intrusion into a private, unified
structure, they have turned this intrusion into a force
to regulate production to the exigencies of market demand.

SOCIAL AND COMMUNITY CONTROL

Company and managerial control extends from the
working environment into the community in mining towns.
The construction and design of the town, control of
fringe community development, commercial development,
housing maintenance and even the planting of trees and
gardens lie within the province of company decision-making.
However, once the mine is established and a fairly
stable population acquired, the company begins to consider
the elimination of the vexing problems of real estate,
community planning and local development.   In many
instances the companies begin alleviating these problems
by shifting the burden of community maintenance to
local government shires and through transferring ownership
of housing to the workers.[36]

On the surface these decisions appear, and are usually reported in the media, as a means of reducing the "big brother" atmosphere of company towns. However, below the surface, it is evident that the decisions are part of an industrial relations strategy. As the Senior Industrial Relations Officer of Hamersley Iron has argued, the company should "take progressive steps to increase the level of charges made for various domestic services ... to reduce the (workers) ability to afford to engage in strikes."[37]

The general pattern is for the company to dispose of houses at a nominal price, usually paid for in terms of interest - free monthly rent deducted from the pay-packet. Protection for managerial authority on the job even finds its way into these housing contracts as reported by Lucas in discussion with company officials : "... we would have to have some sort of a clause stating that we would be willing to buy back the property. Otherwise you couldn't fire someone ..."[38] Company decision-making does not end here. Dunlop comments that :

> "... the points of contact and potential
> issues among the actors will be broadened
> by consideration of rules related to
> residence, subsistence and perquisites.
> Thus, company housing involves such questions
> as whether managers shall be distributed
> through the community or live close together ;
> what shall be done with retired workers or
> those on strike. The level of rent and
> wages become more closely intertwined, and
> developments in the community are probably
> even more directly reflected in the plant
> and vice-versa than would be the case if
> plant managers did not also have formal
> community responsibilities."[39]

The only way workers can respond to this community-based industrial relations system is on the job, so that mining community issues become work issues, but only when they are clear-cut. As one of the union officials reported to Hince in the coal mining sector of Queensland :

> " ... if you take an assessment over four
> years you would find that most disputes
> would be over lack of housing, bad conditions
> in the caravan park, and matters affecting
> accomodation."[40]

While it is easy, and part of the planning process, for the company to design control mechanisms which influence both work and family living, it is not as simple for workers or unions to struggle on both fronts. Struggle over job regulation at the point of production is clear, but even then household workers often find the workplace-centred job control issues too indirect and distant from family living to relate to in a class fashion. This is true even though work influences the patterns and rhythms of mining towns. Work allocation, and shift work in particular changes the distribution of family time and imposes restrictions on the activities of family members. And alternatively, as Williams points out, many of the trade union delegates in mining towns hold key positions in a wide variety of sporting clubs and teams. This sporting activity becomes a focal point for the social life of working people and this provides for esteen and status on the jobs for worker representatives.[41]

This separation between the family and production tends to provide for a split in the inter-relation of consumption and production. The competitive model in economics suggests that a wage gain will increase money income and hence purchases of goods and services. At the same time there exists a demand for leisure time which could lead to a reduction in the amount of labour supplied given high levels of income. The contradiction is that as wages increase a positive effect on the demand for time off is created ; but a wage gain also increases the opportunity cost or the price of an hour of leisure, given a larger implicit cost in terms of foregone goods and services.[42]

In mining communities this "substitution effect" of goods and services for leisure may have the effect that an increase in wages may actually produce a desire to work more hours in the form of overtime and mitigate against any campaign for shorter working hours. Many people in the iron ore communities, for instance, are saving money to leave the area, and view their sale of labour-power as a way to gain increased goods and services in the future. Also, their demand for leisure is limited by a lack of leisure choices : the people they work with are normally the people they would associate with in leisure-time ; status and position in the community is often defined by work-related activities ; leisure requires expenditure of savings on a limited range of activities ; travel away from the

area is the only way to increase leisure options. In
this environment it is the expenditure on material
possessions, and not leisure-time, which provides for
the "middle-class" illusion. Given the lack of
social, political and cultural outlets in company towns,
leisure normally means sport, union activity or drinking
at the pub.

Workers in mining towns have the reputation of
being "materialistic" or "economistic". Stories
abound about the well-paid Pilbara worker with a video-
recorder, new car, boat, etc. What people don't say
is that this is the way in which labour is integrated
into the designs of capital. Consumption becomes the
goal in itself rather than an adjunct to work. As
Zaretsky argues, the end product of work in capitalism
is ever-increasing consumption. Material goods become
the status-symbol of work in which decision-making and
self-determination have disappeared under the simple,
technical and bureaucratic control of capital.[43]

CONCLUSION

In this paper the application of a more holistic
framework has been attempted in order to analyse the
capital-labour relation in the mining sector. Given
the over-emphasis on the use of strike statistics in
discussing industrial realtions, an incomplete, and in
many cases, false impression has been created in the
minds of the public. As shown above, an increase
in wages or reduction in working hours are only a
very small part of the continuing daily struggle at
the level of the shop floor or mine site.

The social relations of production in the capital-
labour process are based on conflict, given the opposing
interests of employers and workers. Rather than being
viewed as deviant, conflict is the normal process
whereby employers and workers establish their respective
positions. The primary goals of mining companies,
like any company in a capitalist social formation, are
profitability, and capital accumulation. These goals
can be achieved only by maximizing the total aggregate
output of labour-power ; and maximization can occur
only with rigorous control over the application and
intensity of labour effort.

Worker resistance to management's power includes the attempt to expand and enhance their own control over the labour process and decision-making involved in production. Psychological manipulation, technical design and utilization, and adherence to bureaucratic rules of order are all part of the frontier of control. As argued, this frontier can even be expanded to include the communities in which people live. Managerial prerogative is based on the ownership and control of the means of production. Union strength depends on the unified control over the sale of labour-power. It is this fundamental dichotomy which provides for conflict within the social relations of production.

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