State of abandon: The role of governance in the recurrent and cyclical nature of class conflict in the lives of mining communities in Australia

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ABSTRACT

Taking the mining industry and associated communities as proxy for industry development as a whole in Australia from the colonial period to the present day, this study examines the socio-cultural and economic reasons behind the observed recurrent nature of class conflict in the industry over this time. Industrial capitalism, birthed in the land enclosures and Industrial Revolution of Great Britain is inherently unstable, being prone to cycles of ‘booms and busts’. Since the early advent of unions in Australia, these cycles have seen power ascendency alternately pass between capitalist elites and workers. With society composed of unpredictable and emotional individuals in continually evolving social structures, this work-in-progress-study attempts an explanation for this recurrent and cyclical nature of class conflict.

KEY WORDS

Mining communities; elites; unions; class conflict.
The Australian mining industry today makes a substantial contribution to the economy of the country, totalling 54% of exports in 2016-17, valued at A$198 billion (Minerals Council of Australia, n.d.). Being a significant contributor to the balance of trade from colonial times to the present, the mining industry along with associated communities presents as a useful proxy for understanding the broader sphere of economic, socio-cultural and industrial activity in Australia over this time (Eklund, 2015; Martinez-Fernandez, Wu, Schatz, Taira, & Vargas-Hernandez, 2012). In the nineteenth century, all of Australia’s inland cities were mining cities. Wealth flowing from the early gold discoveries across Victoria made Melbourne the largest coastal city in the land for half a century (Blainey, 2003). Today, long after the gold rushes of the Eastern States have passed into memory, emphasis in mining has shifted to the mineral-rich states of Western Australia and Queensland.

There have been many published case histories examining the factors contributing to the economic development trajectory of individual communities servicing the Australian mining industry (Cooper & Ellem, 2008; Ellem, 2003, 2006; Jones, Marshall & Mitchell, 2007; McDonald, Mayes & Pini, 2012; Sadler, 2004). Few researchers, however, have attempted an examination of the continuity and recurrence of such factors, from historical antecedents, through colonial times, and up to the present day. A review of the literature has revealed the following omissions: (1) The lack of investigation into the socio-cultural and economic factors that contribute to class conflict in the development trajectory of mining communities in Australia; (2) The lack of investigation into the socio-cultural and economic factors that contribute to class conflict in the development trajectory of mining communities in Australia over time, and (3) The lack of investigation into the cyclic recurring nature of the socio-cultural and economic factors contributing to class conflict in the development trajectory of mining communities in Australia over time. Accordingly, this paper sets out to explore the reasons behind the recurrent nature of class conflict by an analysis of class relations in the mining industry in Australia from colonial beginnings to the present.

SCOPE OF THE STUDY

Colonial mining

The first discoveries of gold were predominantly alluvial fields, easily worked by small groups or individual miners. After exhaustion of the alluvial gold, the focus of both gold and base metal mining in Australia turned to concentrate on deep lode mining (Lennon, 1989). Shaft sinking and crushing of the mineral-laden rock required capital resources beyond the capability of small groups of miners, necessitating the formation of companies and the employment of wage-earning miners. The longer term nature of deep lode mining saw the ephemeral, tent dwelling, predominantly male communities of the alluvial fields give way to more substantial settlements as firstly bark, and later galvanised iron and timber huts sprang up in an often-sprawling township close to the mine workings (Bell, 1984). With wage miners earning a reliable income, more women were encouraged to join their menfolk, adding a civilising touch to the life of the town.

Despite the regular income and the more settled community life, however, the egalitarian spirit that had been a mark of the alluvial fields did not endure long in the company towns. A typical company structure, with absentee city shareholders and a local mine manager, employing a workforce of wage-earning miners set the scene for a class conflict between capital and labour that has since become a predictable and recurrent theme among mining communities across Australia, persisting to the present day.

Contemporary conflict

In the current economic climate in Australia, there is a widespread disillusionment in the mining workforce, with market-driven neo-liberal policies contributing to inequality, insecure work
and stagnant wages. This deterioration in working conditions, having its genesis in macroeconomic policies instigated by successive Australian Governments since the 1970s (Kelly, 1994; Lloyd, 2002; Woodward, 2005), is just the latest chapter in the ongoing class conflict between capital and labour since capitalism displaced feudalism as the dominant culture in the eighteenth century.

The birth of industrial capitalism

Tracing the socio-cultural factors behind this recurrent class conflict, this study will begin with an examination of the land enclosure movement, first evidenced in Tudor England (Polanyi, 1944). The resulting dispossession of the agrarian populace not only precipitated a landless class of unemployed but also allowed for the ‘primitive accumulation’ of capital (De Angelis, 2001; Marx, 1867), paving the way for the Industrial Revolution. Although widely seen as a cruel and heartless eviction, or ‘a plain enough case of class robbery’ (Thompson, 1966, p. 218), the enclosures, by creating a workforce where none had existed before, made possible the present era of industrial capitalism which has been responsible for periods of prosperity and affluence entirely unknown under previous regimes (Lazonick, 1974; Shaik, 2016). There was little prosperity, however, for those immediate generations of the evicted (Patriquin, 2004; Thompson, 1966), and it is only the passage of time and the callous indifference of capitalist elites to the plight of ‘the other’ that has veiled from view the hopelessness and dependence that attended those masses of the common people cast aside in the pursuit of progress.

Research Question

The motivating principal behind the system of capitalism that kick-started the Industrial Revolution is profit, which is created by the simple expedient of rewarding workers as frugally as possible, while at the same time requiring them to maximise their production (Bonacich, 1972). In pursuit of profit, the capitalist system has shown itself to be prone to experiencing ‘boom’ times, followed periodically by unpredictable downturns or ‘busts’ (Patriquin, 2004; Shaik, 2016). The Great Depression of 1930 being such a bust, in which the echo of those lost generations of the enclosures might still be discerned. An examination of this unvarying theme, observable in mining communities in Australia from historic times to the present, will ask the question: Given that society is composed of unpredictable and emotional individuals acting independently in evolving social structures over long periods of time, what explanation can be found for the recurrent and cyclical nature of class conflict in the development trajectories of mining communities in Australia over this time?

EARLY MINING COMMUNITIES: 1841-1851

The settler society of Australia was a scion of the British establishment (Lloyd, 2003). Despite this heritage, the subjection of the working classes to the elites was eroded early in settlement history by the relative scarcity of workers compared to overcrowded England (Collins, 1985; Lennon, 1989; Strikwerda, 1999). This labour shortage was compounded by the gold rushes of the mid-nineteenth century as the diggers left en-masse for the goldfields, with the government powerless to keep them at their ‘jobs’ (Blainey, 2003).

Bound for South Australia

South Australia, although rich in copper, turned out to be the poorest Australian colony in gold, losing thousands of men to the goldfields of the Eastern States in 1851. Ironically, despite being the last of the colonies to be settled, it was South Australia that produced the first base metal mines (Blainey, 2003). The proximity to the Port of Adelaide of the first exploited lodes of silver-lead in South Australia in 1841 made them just barely payable, until the discovery of rich copper lodes at Kapunda in 1842. Further discoveries at Burra-Burra in 1845 provided a welcome export income to
the otherwise cash-strapped colony. With more rich copper deposits being found at Wallaroo, Moonta and Kadina on the Yorke Peninsula, the 1870s saw South Australia replace Cornwall as the largest copper producing region of the British Empire (*Ibid*). Cornish miners, impoverished by the 1837-45 trade recession in Britain (Stephens & Roderick, 1971), migrated to the new discoveries in South Australia in their thousands.

*The Cornish ‘tribute system’*

Along with their mining skills and their Methodism, the Cornishmen brought with them a system of mining known as ‘tributing’. In a tribute system the mine ‘Captains’, as Cornish mining foremen were known, would mark out previously exposed sections of underground ore bodies or ‘pitches’. On a given day these pitches were offered to assembled groups of miners to be worked on terms proposed by the company. A pitch thought to be poor might be offered at a rate of return of ten shillings to the tributers for every £1 value of mined ore, while a more promising pitch might be offered at only a few shillings per £1 of mined ore. If more than one group of miners wanted a particular pitch, they bid for it, with the successful group being the one that offered to mine for the lowest return per pound (Blainey, 2003; Price, 1888; Yamanaka, 1985). The tribute system worked as admirably in South Australia as it had for centuries in Cornwall. Tributers were effectively their own ‘bosses’ and those that struck a lucky pitch could enrich themselves enormously. Mine owners and shareholders didn’t mind this at all, as they too were proportionately enriched by this good luck, and the windfall only encouraged other miners. On the other hand, if the pitch turned out to be poorer than thought, the miners might make less than wages. If sufficiently poor, the pitch might be abandoned, allowing the company to offer it again at a more attractive price. The tribute system effectively spread the financial risk inherent in mining between the mine owners and the workers (Yamanaka, 1985). The fact that every group of tributers was in competition with his fellow miners in bidding for a pitch meant that industrial relations disputes were uncommon in the South Australian Cornish mining communities, lending a further dimension to the class conflict discourse.

*Little Cornwall*

This relative industrial harmony contributed to the mining communities of Moonta and Kadina on the Yorke Peninsula becoming the largest towns in South Australia outside Adelaide, and the largest Cornish settlements outside Cornwall. (Blainey, 2003). With their Methodist faith, the Cornish were ardent churchgoers. Moonta alone required at least sixteen churches to service its over five thousand people, and religious revivals were not infrequent. After settlement of a rare industrial dispute in 1874, four thousand people gathered in a circle at Moonta and offered thanks to God, with fine Cornish voices raised in a stirring Wesleyan hymn (*Ibid*). Today, long after the last copper mines and smelters have fallen silent, many South Australians reflect this proud Cornish heritage, being distinguished by surnames such as ‘Evans’, ‘Elliot’, ‘Glasson’, ‘Hawke’, ‘Johns’, ‘Lyon’, ‘Nankervis’, ‘Pengelly’, ‘Phillips’, ‘Trewartha’, and ‘Truscott’ to name just a representative few.

**RALLYING THE WORKERS**

By the 1870s the increase in company mining in Victoria led to intensifying union activity. W.G. Spence led his Creswick Miners into a merger with the Amalgamated Miners Association, becoming its general secretary in 1882, and leading numerous successful battles over wages and conditions (Spence, 2013). The formation of the Trades and Labor Council (TLC) in 1871 in Sydney gave at least a vestige of permanence to the fifteen or so unions then operating in the premier colony. Prior to this, unions had experienced a rather ephemeral existence (Nairn, 1989). Some indication of the difficulties faced by unions trying to organise in a British colony in these early years can be exemplified by the case of the ‘Tolpuddle Martyrs’, a group of six English labourers who as recently as 1834 had been sentenced to transportation to Australia for attempting to form a union (Thompson,
The early successes of unionism in Australia have been attributed to the relative shortage of labour, which became acute after convict transportation to the Eastern States ceased (Nairn, 1956). Under the capitalist system, scarcity has always commanded high prices, so that by 1890 the Australian worker had won conditions and wages unachievable back in the home countries (Howard, 1977; Maddock & McLean, 1984). This situation suffered a reverse during one of capitalism’s periodic ‘busts’ in the 1890s. A world recession at this time was further compounded in Australia by severe drought (Butlin, 1958; Merrett, 1997, 2013), hitting Australia’s commodity-based export income particularly hard. Speculation and over-investment in Australia through the 1880s had created an ‘asset bubble’, particularly in Melbourne real estate, as investors rushed to cash in on the boom. Banks lent money with abandon, until the inevitable free-falling asset prices signalled the end of the boom, triggering widespread failures of banks in 1891-1892 (Merrett, 2013).

Birthed in violence: the political turn

Employers took opportunity during the resultant shortage of work, to mount a ruthless campaign to break down the hard-won conditions and wages of the working class, aided and abetted by government and police. The unions proved unable to counter this orchestrated attack despite the series of great strikes of the 1890s, in which the possibility of armed violence and even civil war were an ever-present threat (Spence, 2013). Prompted by this demonstrated powerlessness in the face of such concerted opposition the labour unions sought redress through the political system by forming the first Labor Parties in Australia (Archer, 2007; Howard, 1977). This proved a significant milestone in the evolution of class conflict, as the labour movement sought to counter the collusion between capitalist elites and government.

The ‘Australian Settlement’

At Federation in 1901, the Australian Nation was founded, in the words of Kelly (1994, p.1) ‘by practical men striving for income, justice, employment, and security’. Avoidance of a repeat of the threatening class warfare of the 1890s was subsequently sought by these practical men, through agreement between the three political parties then existing, along with manufacturers, and organised labour (Woodward, 2005). The policies that emerged from this agreement, the principal architect of which was Alfred Deakin, although never formally defined have been coined by Kelly (1994) as the ‘Australian Settlement’. Summarised by Kelly under five headings: ‘White Australia, Industry Protection, Wage Arbitration, State Paternalism, and Imperial Benevolence’, this remarkable collective agreement was largely successful at underwriting industrial peace and class cooperation in Australia for well over half a century, until the globalising world of the 1980s found it wanting (Kelly, 1994; Lloyd, 2002; Woodward, 2005).

MINING COMMUNITIES: THE HISTORIC VIEW, 1870-1919

The development of deep lode mining as the surface alluvial deposits were exhausted contributed to a shortage of labour as skilled underground miners became highly sought after, again allowing them to secure favourable wages. Mining towns sprang up in often desolate and remote surroundings determined by the location of mineral lodes. Towns such as Broken Hill in New South Wales, established in 1883, and Irvinebank in North Queensland in 1884, had to provide all the necessities of life for a workforce of miners employed in the sole industry in town, the winning of minerals from deep in the earth.
Living and working conditions in general in the late nineteenth century were harsh, primitive and often dangerous, and the mining towns of Broken Hill and Irvinebank were no exception. Despite this, both of these communities enjoyed an egalitarian spirit in their early days, with little evidence of class conflict. The stated objective at the formation of the Barrier Ranges Miner’s Association in Broken Hill in 1884 was ‘to promote the interests of the silver fields by the close union and cooperation amongst the classes’, and to avoid ‘the absurd antagonism which sometimes appears to exist between labour and capital’ (Kennedy, 1978, p. 19). At the tin mining town of Irvinebank, similarly, this egalitarian spirit was in evidence in 1890 when the entire workforce of the community wholeheartedly volunteered their labour to Mr John Moffat, proprietor of the Irvinebank Mining Company, to rebuild the company dam which had burst during the wet season of that year. This was acknowledged as ‘a great effort of cooperation in a time of emergency’, which saved Irvinebank in an hour of financial constraint (Alexander, 1954, p. 3).

Why these mining communities experienced little evidence of class antagonism during their formative years poses a question that this research will endeavour to answer. Both settlements went on to endure recurrent acrimonious industrial disputes between working class and management in later years, which in the case of Irvinebank, resulted in the premature collapse of the Irvinebank Mining Company. With an Australian ‘disrespect for Britain with its traditions of non-democratic privilege’ (Garnaut, 2002, p. 3), a possible answer might be found in the egalitarian ethos that was fostered during the gold rushes. On the goldfields, men worked claims as individuals or in small groups, and found that ‘Jack’, left to himself, was every bit ‘as good as his master’. At Broken Hill and Irvinebank, early arrivals responding to the news of ‘new strikes’ would have hoped to repeat the experience of the goldfields by pegging a claim on which to establish their fortune, only to find that the logistics of hard rock mining consigned most of them as ‘wages men’ in a company structure, with the ‘master’ firmly in control. As mining work progressed further underground, the increasingly dangerous and difficult conditions encountered, combined with the growing evidence of affluence among elite shareholders and mine owners hardened the men’s resolve to try to improve their lot, resulting in a resurgence of that ‘absurd antagonism which sometimes appears to exist between labour and capital’ (Kennedy, 1978, p. 19).

A victory worthy of Pyrrhus

In the first decade of the 20th century, trade union power was reaching a peak in North Queensland with the formation of the Amalgamated Workers Association, centered in Irvinebank. This was achieved under the guidance of ‘Red Ted’ Theodore and Bill McCormack, both destined to enter politics, becoming in due course, successive premiers of Queensland Labor Governments (Fitzgerald, 1994; Hunt, 2010). During this time the Irvinebank district saw a resurgence of class conflict with bitter industrial campaigns being fought. At the nearby mining settlement of Stannary Hills, after a protracted strike in 1909, the company eventually capitulated to the miner’s terms only to close down the mines two months after work resumed (Hunt, 2010). Irvinebank followed a similar fate within ten years despite high tin prices prevailing at the time; the fire-sale of Irvinebank Mining Company assets to the Queensland Government in 1919 the result of a decade of recurrent class conflict (Kerr, 2000; ‘Tin town of Irvinebank’, 1919).

MINING COMMUNITIES: THE CONTEMPORARY VIEW

As Australia entered the third decade of the twentieth century the economies of the industrialised world collapsed into the ‘Great Depression’. This caused bankruptcies, mass unemployment and a subsequent ‘capital crisis’ which lingered on until government financing of Australia’s Second World War effort provided the necessary boost to the economy (Lloyd, 2003). For
almost three decades after WWII, Keynesian economic policy underwrote prosperity and industrial peace in Australia (Palley, 2004).

**Agreement and betrayal**

In 1973 the OPEC oil crisis, along with increasing globalisation, ushered in rampant inflation and militant industrial action, as trade unions endeavoured to maintain wage parity (Kelly, 1994). Under these conditions, it became obvious that the provisions of the Australian Settlement which had secured relative industrial peace since federation were no longer effective. The Whitlam Labor and Fraser Conservative governments introduced piecemeal corrective measures, but a more workable solution was not forthcoming until the Hawke Labor government brought the trade unions into an ‘Accord’, which saw the industrial unrest come to an end (Kelly, 1994; Woodward, 2005).

Unfortunately, the agreement under this Accord, unlike that of the Australian Settlement, did not include either the conservative opposition or the employers. This enabled the subsequent Howard conservative government to introduce ‘New Right’ policies and legislation in the mould of Reagan and Thatcher, aimed at destroying the representative power of working-class unions (Cooper & Ellem, 2008) and abetting the monopolisation of Australian mining interests by Trans-national Corporations (TNC’s) such as BHP Billiton and Rio Tinto. Industrial relations policies which have been pursued by these companies in the iron ore mining industry in the Pilbara, with the collusion of government legislative support (Cockfield, Rainnie, Buttigieg, & Jerrard, 2009; Cooper & Ellem, 2008), have seen a return to working conditions reminiscent of those of the nineteenth century, with twelve hour workdays, de-unionisation and casualisation of the workforce, outsourcing to contractors, introduction of individual work agreements and an end to collective bargaining. Workforces have been further fragmented by the demise of mining communities with the advent of fly in-fly out (FIFO) long-distance commuting, usually from capital or major regional cities (Langdon, Biggs, & Rowland, 2016).

**The great white ‘shell game’**

Along with the elimination of tariff protections and the arbitration of industrial disputes, globalisation and ‘New Right’ legislation have also managed to remove the foundation plank of the Australian Settlement, the ‘White Australia Policy’ (Kelly, 1994). This policy, crafted at federation, was thought essential for the protection of Australian workers’ hard-won conditions from cheap foreign labour. Although today synonymous with an overt racist attitude in Australia, in fact, while racism may have emerged in the wake of the White Australia Policy, it was the protection of working-class conditions that was the initial motivation for its inclusion in the Australian Settlement (Markus, 1985). This Policy, which became ‘the first plank in all parties policies’ (Nairn, 1956, p. 27) at federation, was a response by these practical men to the practice of both British and home-grown capitalist elites to favour the employment of initially convict (Nairn, 1956), and subsequently, imported non-white, and therefore cheap labour at the expense of Australian workers (Balachandran, 2011; Bonacich, 1972; Markey, 1996; Markus, 1985; Martinez, 1999; Strikwerda, 1999).

In the present era of globalisation, it is capital rather than labour that is highly mobile, allowing for jobs in manufacturing to be exported from Australia to low wage, developing countries (Lambert, 2000). Today most of our household furniture, electrical and white goods, along with motor vehicles, which once were manufactured here in Australia, are now produced offshore and imported. The resulting ‘level playing field’ competition forces the wages of Australian workers into ever closer parity with that of countries like China, India and Thailand. In this recurrent cycle of class conflict, it is now capitalist elites who are in the ascendency, again with the collusion of government.
AUSTRALIAN MINING: THE DEMISE OF COMMUNITY

The automated future

The Australian mining industry, with invested TNC capital rendered immobile by the location of ore bodies, is pursuing what it sees as the only course open to it to maximise returns in the face of the present relatively high wage structure of Australia: that of increasing automation, with the resultant minimisation of workers (Bellamy & Pravica, 2011; Boulter & Hall, 2015; Burger, 2006; Kiziroglou, Boyle, Yeatman & Cilliers, 2016). From peak employment in 1901 of 9.2% of the workforce (Eklund, 2015), in 2016-17 mining employed just 2% of the nation’s workforce (Labour Market Information Portal, n.d.) while returning export income of A$198 billion (Minerals Council of Australia, n.d.). Capital expenditure in increasingly sophisticated machinery is rapidly replacing traditional labour as the artificial intelligence (AI) revolution advances.

The future of work for the de-unionised and widely scattered and transient FIFO Australian mining ‘community’ is set to parallel the plight of the agrarian workforce of England in the period when the landowning class separated the ‘peasants’ from their means of living by enclosing the farmland of 17th century England (De Angelis, 2001; Marx, 1867). This has already occurred across a once diverse, and now greatly diminished Australian manufacturing industry. The anguish of the dispossessed working class is plain to see, with older workers facing long-term unemployment while the remuneration to CEO elites and board members has become a hissing and a by-word (Anenson & Mayer, 2010; Brick, Palmon & Wald, 2006; Wilhelm, 1993).

Australia Quarry Inc.

Australia today is a quarry to the world, with an ever shrinking workforce required to man that quarry, and the rest of those fortunate enough to have a job being employed in service and support roles, or the non-wealth generating humanitarian sector. If there is one completely certain prediction about Australia’s future it is that the mines are going to close and companies leave when the minerals are exhausted, as they inevitably will be (Laurance, 2006). While there is much discussion today about ‘corporate social responsibility’ and the ‘sustainability’ of mining communities after the mine shuts down (Lansbury & Breakspear, 1995; McDonald, Mayes & Pini, 2012), what does the future hold for the working class of Australia when the mine is the whole country?

Interim conclusion: ‘What has the government ever done for us’?

This study attempts to trace the ebb and flow of fortunes across the temporal trajectory of the ceaseless class conflict in Australia through an examination of the mining industry. With first the capitalist elites, and then the workers gaining the ascendency, only to lose it in the next great see-sawing of industrial capitalism, one thing stands out strongly. In 19th century England, as in colonial Australia, the government and the courts sided with capitalist elites to keep the working class in subjection. At Australian Federation, a group of ‘practical men striving for income, justice, employment, and security’ (Kelly, 1994, p. 1), representing government, opposition, employer and worker, forged an egalitarian agreement that made Australia the envy of the industrialised world for over 50 years (Lambert, 2000; Lloyd, 2003). That the provisions of the Australian Settlement required adjustment to accommodate a 20th-century globalising world is beyond dispute, but its complete abandonment in the 1970s and ‘80s has taken industrial relations in Australia back to the nineteenth century. Today, successive Australian Governments have again chosen to side with capitalist elites in the suppression of the working class (Cooper & Ellem, 2008). This situation is unlikely to change until Australian voters unite at the ballot box to punish governments who choose not to uphold the
egalitarian ideal in which this Nation was founded, and demand representation by a government of ‘practical men’ in the mould of Alfred Deakin, who will strive for ‘income, justice, employment, and security’.
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