MINEWORKERS MINERS VS A FOUR LETTER MULTINATIONAL

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Some Notes on the Utah Strike

Let Utah Development Co., in its words (from a handbook issued to employees) define its philosophy on what it should pay workers at the Utah mines:

The rate of pay of the individual should be adequate with regard to the functions he is performing and in comparison with others in the community, but not so great as to provoke discontent with other employees or in the rest of the community...

Applying that principle to the Utah mineworkers in its own inimitable way, Utah has been the most massive exploiter of Australian workers. For example, with a total workforce of under 2900 (and that includes office staff, executives, the lot), Utah Development's pre-tax profit in 1977 was equivalent to $100,282 for each employee, and even its after-tax profit worked out at over $55,000 for each employee. Those sort of figures could turn even BHP envious peagreen.

Or take an individual example. At the Utah mines, drivers of the huge Euclid trucks take loads of around 120 tonnes at a time, and they might make 12 to 15 trips in a day. In about six of those trips, in half a day or less, a driver hauls coal to the value of his own pay for a year.

It was that situation of immense exploitation which Utah mineworkers set out, in their June-July strike, to diminish a bit — and that's what they did.

As is well-known — and the outbursts of Fraser, Lynch & Co. made it even better known — the Utah workers, after over six weeks on strike, secured gains which, one way and another, in cash or equivalents, could add up to $95 a week, or more than double the peak Utah propositions in negotiations before the strike. Also, the gains were free from Utah's initial odious string of extension of seven-day roster (that is, work continuing through the weekends, public holidays, etc.) in certain areas of work.

The Utah unionists' gains are the biggest secured by a strike by industrial workers (even though, as we'll see later, the benefits have to be put in a proper context). And the strike itself — with some 1750 workers from four different unions at Australia's four biggest coal mines out for over six weeks — is the biggest for years in the coalmining industry, and hasn't many parallels in other industries either.

This remarkable strike was undertaken by workers who are young and relatively new, and in circumstances of some difficulty.

The Utah mines have been in production for only ten years or less. The towns for them are in isolated areas, varying from 120 to 150 miles inland from the Central Queensland coast and are almost entirely dependent on coalmining. They are in areas which elect National (Country) Party members of Parliament.

For its mine workforces, Utah recruited workers, mostly young (even in their teens), from a variety of jobs: many of them from rural primary industry. Few of the workers
who were taken on at the mines had experience or family backgrounds in mining; some had not previously been in any union.

The Utah Style

Utah came to Australia with an anti-union record. (Not that this is exceptional among US coal companies: only half of USA's soft coal is mined under United Mine Workers' Association 'contract'). Utah hoped to have docile workforces here. But Utah itself, by its arrogance and hardline style, created a clear need for strong unionism, in defence, and impelled the development of this. Utah actions produced their appropriate reactions. Some outstanding local figures arose in the unions, and the union developments were cultivated by State leaderships.

Utah, however, kept trying. One of its practices was its “one for one” system: If the workers had a stop of, say, 24 or 48 hours, then — no matter how strong the workers' reason might have been — Utah, for no other reason except reprisal, would suspend or stand down the workers (without pay) for an equivalent period. Therefore, when workers voted for a 24-hour or 48-hour stop, this meant 48 hours or 96 hours out the gate.

In 1975, too, when the campaign was on about the unions' claims for a new award, Utah showed its form by standing down the 1700-odd Utah workers for about three weeks.

Even when there has been no major general campaign, the frictions at Utah mines are reflected by the fact that in 1977 workers at Peak Downs mine, for instance, lost 39 days (the equivalent of almost eight weeks' working time) in stoppages and in Utah get-square stand-downs.

Utah's "one for one" scheme of stand-downs may now, however, have suffered a check. A decision in June by the Coal Industry Tribunal, while made in general terms and not specifically relating to Utah, implied a warning against "abuse" of the stand-down power: employers could even find that, having stood down workers and so lost the production, they could still be held liable to pay the workers.

Part of the Utah style is to demand consistent overtime, which enables it to keep the numbers of its workforces to a minimum. For Utah, the award's 35-hour week is not enough, and there have been cases of workers being stood down by Utah in punishment for their having worked only seven hours in a day (the award time) and not doing the overtime Utah wanted.

It was characteristic that — in a propaganda document designed to "sell" the idea of seven-day roster — Utah gave various figures of potential earnings on the basis of a range of weekly hours, and the range of hours started not at the award's 35 but at 40 and went on to 42 and 48 hours.

Over the years, for all its vast profits, Utah kept the workers' pay at levels substantially below those which have applied at a number of NSW mines. While there is a common award wage scale in the industry in NSW, Queensland and Tasmania, workers in NSW work under a scheme of bonuses. These are based on production, and bonus schemes vary between different mines and different companies. At some mines, bonuses run as high as $100 and more a week. Against this, Utah has been paying only a $23 weekly over-award rate. Moreover, this $23 has stood still since 1972, with Utah rejecting persistent union efforts to restore the 1972 relativity of the over-award rate. The contrast between the stationary Utah over-award rates and the immense boom in Utah profits in that same 1972-77 period (from a net $15 million in 1972 to $158 million in 1977) aggravated the workers' acute sense of grievance.

Utah mineworkers, too, viewed with sympathy the efforts of the Seamen's Union to get jobs for Australian seafarers on the Utah bulk ships which take huge cargoes of the coal away, and mineworkers shared the seamen's resentment and disgust at Utah's persistence with confining the manning to "crews of convenience" and excluding Australians.

In all these circumstances, the strike from June 7 onwards was around the Combined Mining Unions' claims but it also was an eruption of long-smouldering frustrations and exasperations.

In that respect, it had a similarity with the Mt. Isa Mines dispute of 1964-65, in which workers' resentment against the practices of the company (like Utah, a US subsidiary) boiled over, this being followed by the months-long lockout by the company. There is another point of similarity, too: Utah's
industrial relations chief, Mr. R. L. Livingstone, was No. 2 industrial-relations man with Mt. Isa Mines during the 1964-65 lockout. He could have been hankering for a Utah emulation of the Mt. Isa affair.

“Final Offers”

Before the Utah strike began, strong efforts were made by the unions to secure a settlement of the claims by negotiations. But Utah would not come across. Its style was to present some inadequate counter-propositions and declare that these were “the final offer”. Over a period, Utah “final offers” took on the quantity, though not the quality, of Melba farewells.

In the weeks before the strike, Utah “final offers” proposed a bonus scheme which was initially reckoned as being worth $17 a week (on top of the $23 over-award rate) and which was then increased, under another “final offer”, to $30, together with various other improvements reckoned as being worth about $12 or so a week. But, to these, Utah tied the string of seven-day roster in trainloading, open-cut examination, coal-preparation plants and some areas of maintenance.

An estimate by miners put the value of the Utah propositions for the workers at about $3 million a year, as against a benefit to Utah of $22 million from such a seven-day roster. In any case, as Utah well knew, miners’ policy is firmly against any extension of seven-day roster in the industry.

Utah’s design for seven-day roster had an industry-wide, and even national, significance. Utah already — because of the quality and nature of its coal resources, its open-cut methods and immense productivity, its scale of operations and other factors — is able to undercut most of the other mine companies and jostle them in the scramble for contracts and “spot” sales (sales which are picked up outside the normal long-term contracts).

If Utah had been able to get an extension of seven-day roster, it would have further

Utah and Its Family Tree

Utah Development operates four big open cut mines in Central Creek (Goonyella, Peak Downs, Saraji and Blackwater) and has another open cut (Norwich Park) and the Harrow Creek trial underground mine under construction. It is by far the biggest producer and exporter of Australian coal (16 million tonnes in 1977, worth something like $50 a tonne).

Utah Development is incorporated in Nevada (USA) and is 89.2 per cent owned by Utah International Inc. of San Francisco. In turn, Utah International is merged with General Electric, which Fortune last year ranked No. 9 among the giant US corporations. Helped by dividend payments from Utah Development totalling $126 million in a year, General Electric’s net profit last year was over $US1000 million, including Utah International’s $US196 million.

The other 10.8 per cent of Utah Development is held by Utah Mining Australia Ltd. (UMAL which is set up for the specific purpose of holding some Utah shares. Insurance companies and faceless nominee groups are major shareholders in UMAL.

Saraji, Peak Downs, Goonyella and the Hay Point export terminal south of Mackay are operated by a 76 1/4 per cent subsidiary of Utah Development. This is Central Queensland Coal Associates (CQCA). Other shareholders in CQCA are Mitsubishi of Japan (with 12 per cent), Australian Mutual Provident Society (7 1/4 per cent) and UMAL (4 per cent).

Utah Development also has a one-third interest in Mt. Goldsworthy (WA iron ore), but this is overshadowed by Utah’s Queensland coal operations.

On the union side, the Combined Mining Unions in Queensland are made up of the Queensland Colliery Employees’ Union (QCEU, which is the Queensland part of the Miners’ Federation), the Federated Engine Drivers & Firemen’s Association, the Amalgamated Metal Workers & Shipwrights’ Union, and the Electrical Trades Union. Approximate total numbers of CMU workers at the Utah mines are: QCEU 660, FED & FA 550, AMSWU 460, ETU 120.
increased its cost advantage over other coal companies. These would have been compelled to seek seven-day roster for their own mines and, if they couldn’t get it, then some could have had to cut back or even close, for want of market competitiveness with Utah.

(Six years ago, it was the capture of a market in Italy by Utah from Clutha that was the immediate cause of Clutha deciding to close South Clifton mine, on the NSW coast: a decision which precipitated the first coalmine work-in in Australia, and possibly the world.)

Workers’ Actions

Meanwhile, with Utah not coming through with any satisfactory proposals in the 1978 negotiations, Utah mineworkers had been taking concerted forays into industrial action; stoppages for a day or two, overtime limits (including refusal to load the huge coal trains for the coast on overtime at weekends) and so on. These had been getting Utah off balance and, of major importance, it had been causing a diminution of the huge stockpiles which Utah likes to maintain at Hay Point and Gladstone, on the coast. (“If the Hay Point stockpile gets down to a million tonnes, Utah starts to worry”, one rank-and-file Utah man told me.)

As a result, when the strike did start, Utah quickly ran through its port stockpiles (and stockpiles at the mines were of no use to Utah when it couldn’t get the coal loaded for the coast) and so Utah’s contracted shipments had to be suspended.

One effect of the development and coordination of these tactics was a heightening of the stature of the newly-established Utah Combined Mining Unions (CMU) regional liaison committee, which was heading the on-the-spot campaign at the four mines. This rank-and-file committee consists of one representative of each of the four unions in the CMU at each of the four mines. In this set-up, the rank-and-file at each mine have four representatives and (looking at it another way) each of our four unions also has four representatives. This identity of the committee with the rank-and-file has been, and continues to be, of major significance.

Over years, Utah has tried to play unions off against each other and to needle in efforts to create divisions between them. Despite this, it was a major aspect of this whole 1978 dispute with Utah that the rank-and-file of the four unions acted throughout as one solid body, free from any bickering or narrow one-upmanship. This must have been one of the things that dismayed Utah and culminated in Utah’s ultimate capitulation. If sustained, it can be a formidable obstacle to Utah’s anti-union designs.

In the dispute, too, it was of importance that Utah produces coal predominantly for overseas markets. Because of this, a halt in Utah production does not disrupt domestic supplies for power generation and so on and does not have any disadvantageous impact on the community. This fact lessened the pretexts of the Bjelke-Petersen government for bluster and incitement against the unionists.

The Strike Begins

When Utah in May put up its latest “final offer”, with the seven-day roster tied to it, the miners’ Queensland District Board of Management and then the State CMU committee rejected the string and sought talks with Utah to get a proposition without this. But Utah hung on to the string — and the strike was on.

The actual strike decision was made by mass CMU meetings on June 7 at Moranbah (the town for Peak Downs and Goonyella), Dysart (Saraju) and Blackwater. The voting was a highly impressive 899 to 69.

The same June 7 meetings also voted on a recommendation to reject Utah’s seven-day roster proposition. Voting on this was 948 to 24: a solid No to Utah. Significantly, those in this vote (and, naturally, in all others) included FED & FA men, who themselves work seven-day roster on the giant draglines. They voted in inter-union solidarity against having seven-day rosters extended to members of the other unions.

As far as the unions were concerned, that was the end of Utah’s seven-day roster notion: there was no need for any more votes on it. It just wasn’t on.

That June 7 strike vote was for a week’s stop, with a call to Utah to negotiate genuinely. At the end of the week (on a Wednesday, at midnight) work resumed. Work continued at Peak Downs and
Goonyella through the Thursday and Friday, but Blackwater and Saraji men worked only on the Thursday because the Friday was, for them, a holiday for the Show Day in the Rockhampton area.

Then, after that 24/48 hours of work, the workers again stopped for 24/48 hours from midnight on the Sunday in order to have new CMU mass meetings — and at those meetings they voted 1173 to 7 to box on and stay on strike for another week.

Each Monday for the next four weeks, that same recommendation, for another week on strike, was put to mass CMU meetings and was carried by extraordinarily solid votes: 972 to 4, then 1158 to 6, the following Monday 1146 to 5, then 1165 to 7. The figures speak eloquently for themselves.

Yet, in those circumstances, the Bjelke-Petersen Queensland government’s Mines Minister (Mr. Camm) came out with a statement (Courier-Mail, July 3) saying: “I believe that, given a free vote, with no pressure from militant unionists directed by people in southern states, the majority of miners in this state would reject any strike action and go-slow procedures”. It was a piece of absurd nonsense only too typical of the Bjelke-Petersen government.

Methods of Struggle

The pattern of having strike votes for periods of only one week at a time was deliberate. It caused some anxiety among a few well-intentioned officials of unions who saw it as a possible encouragement to any anti-strike movement. Such anxieties proved to be unfounded.

The process of weekly meetings was, in fact, one of the great strengths. It gave the workers a full opportunity, at proper meetings, to say anything they wanted to put up, and then to have a vote on what was to be done. It was an important safeguard against any feeling among workers of being kept outside what might be happening.

Another innovation was the establishment of union centres, manned during the day, as a place where anyone — inside or outside the unions — could come for information or just to talk. Normally none of these mining towns has any full-time union organisation. The establishment of a
Manned centre was an innovation introduced at Blackwater at a time in June when the Utah strike coincided with the strike at the other mines in the Blackwater area over the Fraser government's threat to tax subsidised housing. The Blackwater initiative of a manned centre was taken up elsewhere in what the company likes to call "Utah country".

Meetings of women in the mining towns were held and voted support for the strike. As a result of women's involvement, Women's Auxiliaries were, by the end of the strike, set up in Blackwater, Moranbah and Dysart. These have important potential.

During the strike, an existing Auxiliary a. Moura sent a $1000 donation for the Utah strikers' families.)

The other Central Queensland mineworkers' upsurge in June against the Canberra threat to tax subsidised rentals housing reinforced the Utah workers' strike. Strikes by mineworkers in the Blackwater area at BHP's Cook and Leichhardt mines and Thiess's South Blackwater mines helped to promote an "all in together" strike spirit with the Utah strikers. Workers from Utah's Blackwater mine joined, with gusto, in the Blackwater mineworkers and community march and rally against the tax. Then Utah workers at Moranbah (Peak Downs and Goonyella) and others made common cause by organising a similar demonstration there against the tax threat: a threat from which the Fraser government, under such pressure, appears to have backed off.

In the course of the Utah strike, too, mineworkers at the next biggest group in Queensland (the BHP-Thiess-Mitsui consortium's Moura-Kianga mines) were also in dispute; in their case over long-withheld satisfaction on a bonus scheme. This produced a 48-hour strike in June. This, too, helped to give Utah strikers a sense of added dimension.

As week followed week in the Utah strike, the need for financial help grew.

Solidarity

From early in the strike, the Utah CMU regional liaison committee organised delegations to go to other mining areas of Queensland and NSW. Altogether, nine delegates came to NSW alone.

They included men from the miners. FED & FA and AMWSU. Among them were the miners' Queensland Board of Management member for the area that includes Goonyella, Peak Downs and Saraji, and the president, secretary and treasurer of the Utah CMU regional liaison committee. Throughout the Queensland and NSW areas, they received strong support, backed by weekly levies.

One notable example of support came from Broken Hill. Broken Hill is a long way from Central Queensland. Old-timers at Broken Hill couldn't remember a previous occasion when rank-and-file Queensland coalmining delegates had been there. Broken Hill isn't in coal anyway: the mines are metalliferous. But, after hearing the Utah CMU delegates, a Broken Hill CMU meeting voted an immediate $10,000 initial donation — and a cheque for the $10,000 was made out and handed over within five minutes of the meeting ending. That sort of unqualified solidarity is a characteristic which critics of some aspects of Broken Hill, ranging sideways politically across from Lady Braddon, should not overlook.

Support in Queensland and NSW was not confined to the four unions which had members involved in the strike. Those who contributed included seamen, waterside workers, ironworkers, clerks, and others, and votes of support were carried by both the Queensland Trades & Labor Council and the NSW Labor Council.

Young Leaders

The ages of the Utah CMU delegates who came to NSW illustrate the relative youth of leading Central Queensland mining unionists. Of the six whose ages I checked, two were in their 20s and the eldest of them all was 36. (Those others whose ages I forgot to ask about were also certainly within this age range.) The secretary of the Utah CMU regional liaison committee, Gary Cox, was still 24 when the strike ended. Even younger is Andrew Vickers, who is 23 — and at that age he is a member of the miners' Queensland Board of Management, secretary of the Utah miners' merger committee, chairman of the Goonyella CMU and has been secretary of the Goonyella miners' branch (with over 170 members) for four years. Those who are in their 30s include the chairman of the Utah CMU regional
liaison committee (and formerly for four years Peak Downs miners' chairman), Bill Coffey, who is 33.

It was men of those ages who gave the on-the-spot leadership in building and sustaining a strike that Utah couldn't crack.

(Outside the Utah group, another miners' branch secretary, Paul Grainger, when he turned 21 last year, was already in his fourth year as secretary of the Blair Athol miners' branch.)

Despite the generosity of the support, things were tough for the strikers and their families. The first distribution was not possible until July 14, five weeks after the strike began, and even then it averaged only around $35 each (scaled according to number of dependants). A second distribution was made a week later (on a scale which included $50 for a man, wife and two children). So, at the time when the strike ended, total payments to a family of four had been less than $100. (A third payment was made in the first days back at work, to help tide them over.)

The continued strike solidarity was all the more remarkable in those circumstances.

Utah Cracks

As everyone now knows, it was Utah, and not the workers, which eventually cracked. The effects of the strike had been severely hurting even such a mammoth outfit as General Electric. In an unpublicised mission, a top GE industrial-relations man flew to Australia. Utah's chief in Australia (Mr. Winterer) went to Canberra (again without publicity) to see Prime Minister Fraser. The Government then got the ACTU president (Mr. Hawke) to intervene. In mid-July, Mr. Hawke went to Brisbane and, after that, to Moranbah for negotiations. Federal and State officials of the Miners' Federation, State officials of the other CMU unions and (very importantly) the members of the rank-and-file Utah CMU regional liaison committee all took part in those negotiations.

Miners' Queensland Board member Andrew Vickers, of Goonvella, told Common Cause (Miners' Federation journal) that, at their very first talks with Mr. Hawke, "the message came across very strongly to Mr. Hawke about the workers' solidarity and determination".

Without much enthusiasm, the Utah workers on July 21 agreed to resume work to allow the negotiations to proceed in Moranbah. Their reluctance was shown by the fact that, in the voting on the "go back, for now anyway" recommendation, there was the biggest minority (95) in any vote during the whole dispute.

On the Monday (July 24), the men went to work. On the Tuesday afternoon, Utah's attitude caused the talks to break down. Workers' reaction was immediate and dramatic. Without even needing to have meetings to decide on it, they trooped off the jobs, less than 48 hours after they had resumed following six weeks on strike.

That was when Utah gave in: against such solidarity and spirit, Utah chiefs realised that they'd had it. Their coal shipments had been halted for weeks, their vaunted reputation for "reliability" on contracts was in a mess, and the whole situation was running contrary to what the Financial Review defined as being General Electric's consistent policy: "Produce at any price".

As a result, there were midnight and early-morning knocks on doors at the Moranbah motel. Hurried new talks took place (in which it was discovered that, without Mr. Hawke or the other union representatives having been told, Utah chief Winterer himself was on the scene there). Later on that Wednesday morning, the settlement terms were formalised. On being put to the Utah CMU mass meetings the next day (July 27), the terms were accepted by 1339 votes to 7. The strike was over.

The terms included a direct pay rise, by an increase in the weekly all-purpose over-award rate from the old figure of $23 to a new amount of $35: this to have a six-monthly indexing (so it won't again, as in the 1972-78 years, stand still). There also was the 'package of conditions' (including some relating to living conditions), as put forward by Utah before the strike. The biggest pay rise is to be through a progressively-scaled production bonus. According to initial discussions, this bonus will start (possibly at about $30 a week) if production is only 70 per cent of the 1977 output. If production is 100 per cent of the 1977 figure, the weekly bonus would be about $55; at 105 per cent, it would be $63, and there would be further rises in bonus (without any ceiling) on any higher
production figures. Periodic reviews of the bonus scheme are to be made.

A combination of all those gains provided the publicised figure of $95 a week as the possible improvement.

Repercussions

Though the strike was ended, reverberations kept rolling. A Financial Review editorial was headed: “After Utah, a new wages game”, and a National Times article, headed “Utah — winners and losers”, saw the settlement as having “the seeds of serious consequences for other employers” (does that grieve you?)

Most extraordinary of all, however, was the reaction of the Fraser Government: the Government which had initiated the Hawke intervention and whose Prime Minister had immediately been informed of the settlement terms before they were publicly known. In what Opposition Leader Hayden called “a concerted attack, orchestrated by the Prime Minister”, two days later, Fraser himself, Lynch and Business Affairs Minister Fife fired off a frenzied fusillade at the settlement terms: “outrageous”, “a shameless money grab”, etc. etc.

Obviously, they were dismayed at a prospect of the Utah settlement encouraging other sections of workers to lift their own sights. They were concerned at the possible effects on those so-sacred guidelines, by which the Government strives to confine workers’ claims at the same time as the same Government agitates to deny workers even bare cost-of-living adjustments to wages.

They were, perhaps most of all, alarmed at the force of the Utah workers’ example, in showing how trade unionists can challenge and beat one of the world’s most powerful multinationals: an example most distasteful to Fraser & Co.

It is much to be hoped that all of these points of concern to the Government do indeed come about. If so, the credit due to the Utah mineworkers will be all the greater.

The Utah workers won: there’s no doubt about that. But, at the same time, what the Utah workers now have is what Utah should have been paying them years ago. Even with this win, Utah workers will still be paid less than some workers at NSW mines where productivity and profits are below those of Utah. And, in addition, Utah has tied some of the gains to production levels.

On Financial Review figures, if the bonus gets to $63 a week, there will be a total extra $8 million payout to the workers in a year. But, after that and other costs, Utah will benefit by a pre-tax profit increase of about $21 million from the extra production which that $63 bonus denotes. This is the sort of trap, for employers’ benefit, which is implicit in all “production” or “incentive” bonus schemes in industry generally.

A point for this Utah scheme, however, is that a bonus would be payable at a production figure as low as 70 per cent of 1977 output. Such a fall in tonnage is highly improbable, but it is important that a bonus would be paid without any increase in production, and even with a fall. Moreover, there is the $35 all-purpose over-award rate, irrespective of production tonnages.

Altogether, some added millions of dollars will stay in Australia in workers’ pay, instead of being funnelled away to USA in Utah dividends.

While Fraser & Co. rave from the Right, there may also be some critics of the strike from the Left, who might probe for any lack of ideological quality or who may invoke that fatal word “economism”. It would, certainly, be great if Australian workers generally shared the doctrines and strategic concepts of the advanced Left. The fact is that they don’t — and it’s the Left’s job to avoid delusions and to strive to improve on that present position.

As for “economism”, it was said in an address in 1865, in referring to workers’ actions: “… Their struggles for the standard of wages are incidents inseparable from the whole wages system… By cowardly giving way in their everyday conflict with capital, they would certainly disqualify themselves for the initiating of any larger movement.” Would anyone call Marx (who said those things) economist-minded?

The challenge to multinationals is one such “larger movement”. What Utah mineworkers — and the seamen — have been doing has been a significant contributing part in this. The real face of multinationals, without the cosmetics, is seen the more plainly in Australia because of it.