The restructuring of the NSW coalmining industry, 1903-1982

Donald Pierre Dingsdag
University of Wollongong

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I HEREBY CERTIFY that the work embodied in this thesis is the result of original research and has not been submitted for a higher degree to any other university or institution.

Donald P. Dingsdag
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### Abbreviations

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<tr>
<td>AACo</td>
<td>Australian Agricultural Company.</td>
</tr>
<tr>
<td>ABL</td>
<td>Archives of Business and Labour.</td>
</tr>
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<td>ACSA</td>
<td>Australian Collieries' Staff Association.</td>
</tr>
<tr>
<td>ACTU</td>
<td>Australian Council of Trade Unions.</td>
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<tr>
<td>AEU</td>
<td>Amalgamated Engineers’ Union.</td>
</tr>
<tr>
<td>AGCP</td>
<td>Annual General Court of Proprietors (AACo).</td>
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<tr>
<td>AIS</td>
<td>Australian Iron and Steel.</td>
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<td>ALF</td>
<td>Australian Labour Federation.</td>
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<td>ALP</td>
<td>Australian Labor Party.</td>
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<tr>
<td>AMA</td>
<td>Amalgamated Miners’ Association.</td>
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<tr>
<td>ANC</td>
<td>Associated Northern Collieries.</td>
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<tr>
<td>ASL</td>
<td>Australian Socialist League.</td>
</tr>
<tr>
<td>ASN</td>
<td>Australian Steam Navigation (Co).</td>
</tr>
<tr>
<td>AUSN</td>
<td>Australian United Steam Navigation (Co Ltd).</td>
</tr>
<tr>
<td>AWU</td>
<td>Australian Workers’ Union.</td>
</tr>
<tr>
<td>BHASP</td>
<td>Broken Hill and Associated Smelters Proprietors.</td>
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<tr>
<td>BHP</td>
<td>Broken Hill Proprietary.</td>
</tr>
<tr>
<td>BSA</td>
<td>Blacksmiths’ Society of Australia.</td>
</tr>
<tr>
<td>CAR</td>
<td>Commonwealth Arbitration Reports.</td>
</tr>
<tr>
<td>CEF</td>
<td>Colliery Employees’ Federation.</td>
</tr>
<tr>
<td>CIF</td>
<td>Cost, Insurance, Freight.</td>
</tr>
<tr>
<td>CLR</td>
<td>Commonwealth Law Reports.</td>
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<td>CMA</td>
<td>Colliery Mechanics’ Association.</td>
</tr>
<tr>
<td>CMMPA</td>
<td>Coal Miners’ Mutual Protective Association of the Hunter River District.</td>
</tr>
<tr>
<td>CMMPAWD</td>
<td>Coal Miners’ Mutual Protective Association of the Western District.</td>
</tr>
<tr>
<td>CMRA</td>
<td>Coal Mines Regulation Act.</td>
</tr>
<tr>
<td>CPA</td>
<td>Communist Party of Australia.</td>
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<tr>
<td>Abbreviation</td>
<td>Description</td>
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<tr>
<td>NSW</td>
<td>New South Wales.</td>
</tr>
<tr>
<td>NSWCCPA</td>
<td>New South Wales Combined Colliery Proprietors’ Association.</td>
</tr>
<tr>
<td>NSWGR</td>
<td>New South Wales Government Railways.</td>
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<td>NSWOYB</td>
<td>New South Wales Official Year Book.</td>
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<td>NSWSR</td>
<td>New South Wales Statistical Register.</td>
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<tr>
<td>OMS</td>
<td>Output per Man Shift.</td>
</tr>
<tr>
<td>OMY</td>
<td>Output per Man Year (below and above ground).</td>
</tr>
<tr>
<td>OPEC</td>
<td>Organisation of Petroleum Exporting Countries.</td>
</tr>
<tr>
<td>SCOA</td>
<td>Southern Colliery Owners’ Association.</td>
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<tr>
<td>SCPA</td>
<td>Southern Colliery Proprietors’ Association.</td>
</tr>
<tr>
<td>SMCA</td>
<td>State Mines Control Authority.</td>
</tr>
<tr>
<td>SMH</td>
<td>Sydney Morning Herald.</td>
</tr>
<tr>
<td>UAP</td>
<td>United Australia Party.</td>
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<tr>
<td>UOMY</td>
<td>Output per Man Year (underground).</td>
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<tr>
<td>WCA</td>
<td>Workers’ Compensation Act.</td>
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<td>WIUA</td>
<td>Workers’ Industrial Union of Australia.</td>
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Introduction

From the 1840's until 1959 NSW coal was Australia's most important combustible. Coal directly and indirectly supplied energy for industry, most households and for much of Australia's transport. NSW coal was a major overseas export from the 1860's until the 1920's. Intercolonial and later interstate sales were an important NSW export from the 1850's to the 1960's. Up to the 1970's NSW was the centre of Australian coal production. From the late 1970's NSW and Queensland coal combined to become Australia's largest export earner. The NSW coalmining industry was and remains an important and profitable area of investment for private investors; the industry has become an indispensable source of revenue for the State of NSW and the Commonwealth too. The industry was also one of the State's major employers.

This thesis analyses the restructuring of the NSW coalmining industry from 1903 to 1982 with a specific emphasis on the relations of production and the role of government from 1939. Previous works on the NSW coalmining industry have not adequately addressed the impact of the changing relations of production and government intervention in the restructuring process. For the purposes of the thesis, restructuring is understood in technological, geographical and commercial terms and also embraces changes to the labour process. Until 1939, despite an increasing presence by government from the beginning of the century, restructuring was essentially undertaken by private coalowners. After 1939, governments began to embrace distribution and production functions too. The concept of the relations of production used in the thesis is the fundamental link between owners, (the financiers and their representatives, the mine managers), and the direct producers, (the miners), and the means of production.

A prime consideration of this thesis is to examine the first major restructuring of the industry, the mechanisation of the face by coalcutters in 1903, and the factors which induced NSW coalowners to mechanise then. The thesis argues that this restructuring was an impetuous response to the chronic excess capacity which plagued the industry from the 19th century. It demonstrates that one purpose of technological change was to weaken the miners' control of the means of production at the coalface. The analysis
demonstrates that this attempt at rationalisation was not only gratuitous but largely unsuccessful. Although productivity and production were increased, excess capacity intensified. Costs rose disproportionately, forcing price rises when interstate markets were under challenge from other Australian coal sources. The overseas export market was also diminishing rapidly. By 1927-28, owing to competition as well as the increasing popularity of petroleum products, the NSW coalmining industry collapsed.

In response to the Depression, the coalowners slashed the size of the workforce, upgraded coalcutters and in 1935 introduced mechanical loaders. Despite this second attempt at rationalisation, the industry was still plagued by the wasting of accessible coal reserves that had occurred since its inception. Moreover, the industry could not meet war-time production targets set by the Commonwealth after it took control of the industry from 1940 under National Security Regulations. Earlier attempts at rationalisation also proved ineffective because of worker resistance, and especially during the War the miners made strategic use of the shortage of coal to redress the reverses in wages and conditions of the 30’s. The thesis also identifies a traditional rank and file resistance to centralised union control as a prominent factor of the failure of mechanisation which culminated during the War. Throughout this period the coalowners also resisted government control.

The thesis then examines the extension of government control after the War. From 1947, under the auspices of the Joint Coal Board (JCB), and the Coal Industry Tribunal, the Federal and NSW Governments extended permanent control. This was a direct result of the deterioration of the industry under private ownership. As a result, the JCB was jointly created by the Commonwealth and the State of NSW to control production, marketing, safety, health, welfare and to expand output essential to post-war reconstruction. The Tribunal regulated industrial relations and wages. Despite these controls, the JCB failed to deprivatise the industry, or indeed even to regulate it adequately. Instead, the JCB permitted the owners to return to free market competition, particularly after 1952, but with extensive Commonwealth/State support and protection.

The JCB’s initial task was to increase production quickly. This it did, but so haphazardly that by 1951-52 the industry was again overproducing. Intent from the
outset to rehabilitate the industry within a framework of private ownership, the JCB made many decisions favourable to the owners. Accordingly, it augmented production by mechanising unproductive mines, giving financial concessions and rapidly increasing the workforce. As a consequence costs rose inordinately and prices escalated; by 1952, as traditional coal markets were permanently lost to petroleum products, excess capacity returned. In response, owing to the owners' persistent resistance to regulated production and marketing in particular, at the insistence of the Federal Government the JCB returned distribution to free market competition.

Faced also with a loss in national demand for NSW coal, despite rapidly growing primary energy consumption, the JCB began to rationalise the industry. This belated rationalisation entailed the closure of mines, the relocation of coalfields, the modernisation of remaining mines and the reduction of the workforce. To offset the loss of traditional markets, the JCB actively sought new markets for favoured coalowners and from the mid 50's established and expanded sales to Japan. In the domestic sector, initially the JCB and the State became the major producers for the burgeoning needs of NSW electricity generation, from the 60's allocating prime mining sites and lucrative contracts. It left only the inconsequential remainder of the domestic market for open competition. BHP/AIS, not yet a proper multi-national, but Australia's sole and influential iron and steel producer, retained a near monopoly over coal required to produce metallurgical coke for iron and steel production. NSW governments subsidised extensive infrastructure for all sectors, but especially for those owners oriented to the Japanese market.

A smaller, more productive and co-operative workforce was a major prerequisite for the success of the JCB's long-term plans. The improvement of conditions and miners' health was a welfarist initiative designed to complement this objective. Early retirement and pension schemes reduced the age of the workforce by excluding older members from it, while periodic medical checks monitored miners' health. Pre-employment medical examinations prevented the employment of medically unfit recruits. Most of these and other aspects of the reproduction of labour power were based on a scientific management initiative designed to create a more productive and younger
workforce paid for by the Federal and NSW Governments with some contribution from the coalowners.

Improvement of conditions alone were not sufficient to increase productivity. To this end the owners surreptitiously introduced an above-award production bonus from the mid to late 50's. This bonus, initially opposed by the industry’s main union, the Miners’ Federation, but welcomed by the rank and file, for the first time overcame workforce resistance to technological change. Against a background of unremitting structural change, under the auspices of the Tribunal and JCB, the Miners’ Federation was increasingly compromised into giving many concessions to the owners, or at best conceding mutually beneficial trade-offs. This compromise, made possible by the powers vested in the Tribunal by the Commonwealth and NSW, culminated in the 35 hour week for around-the-clock production in 1971.

A prime argument of the thesis is that under state control, particularly from 1951-52, the industry virtually reverted to free enterprise similar to that before 1939 but with the advantage of substantial state aid. Modernised mines combined with the JCB’s welfarism, the introduction of the bonus scheme, a diminishing resistance from the Miners’ Federation, sustained by untrammeled freedom in production and competition for the owners, returned the industry to excess capacity. While the JCB allowed production to increase undiminished, growing stockpiles which concealed a growing excess capacity were euphemistically designated ‘stock’. This was the result of the shared views of the owners and the state.

In conformity with Marxists’ observations of the industrialised capitalist state, the thesis demonstrates that in the NSW coalmining industry the state was not neutral, but intervened in the restructuring process in a partial manner. The terminology ‘the state’ is consistently used through the thesis to denote the multitude of organisations and the complex set of relations which form the basis of government in the State of New South Wales and the Commonwealth of Australia. Rather than laboriously enumerating the various government agencies simultaneously involved in the NSW coalmining industry, other than specifically cited government organisations, for simplicity and brevity the thesis refers to the state. Therefore, the use of the concept of the state in this
thesis is not merely restricted to parliamentary politics, but embodies all the state's institutional mediations, specifically those in the relations of production and the implications for class relations they entail. Accordingly, the thesis, which is largely informed by following Antonio Gramsci's concept of the state enunciated in *Selections from the Prison Notebooks*,1) and other writings on the state,2) shows that in the NSW coalmining industry the state was creator and guardian of laws specific to the ownership of the means of production. The state legitimised the relations of production and perpetuated the rights of the owners of the means of production.

Even under 19th century *laissez-faire* style of government, the state promoted the pre-emptive rights of the coalowners by its very absence from the production process, and distribution. For 19th century 'liberals' *laissez-faire* had an ambiguous application. The provision of cheap, accessible coal-bearing land and infrastructure like railways and harbours, demonstrates an active role for the state, as did the use of Gatling guns to break-up coalmining strikes: however, in the process of production, government intervention, other than flimsy safety legislation, was conspicuously absent.

Because the state was not fully involved in the regulation of labour power during the 19th century, except for the rudimentary provision of health care and education, the reproduction of labour power relied on private initiatives: for example, membership of self-help societies by miners, sometimes subsidised by philanthropic coalowners, and the determination of incomes between owners and miners. The use of the concept of the reproduction, (and maintenance), of labour power in the thesis entails all the state's regulatory functions in ensuring a sufficient supply of labour power.3) In the 20th

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century, besides health care and education, these functions included the provision of welfare, social insurance, the regulation of industrial relations and the guarantee of a minimum wage.

In 1901 the NSW Industrial Arbitration Act began to regulate industrial relations and incomes. In NSW, the first coalmining legislation specifically concerned with workforce conditions, the Miners' Accident Relief Act, was passed in 1900. From then on state intervention in social insurance gradually increased. After 1900 legislation increased the state's involvement in reproducing labour power without affecting the production function. Compensation and pensions guaranteed and mainly paid for by the state gradually took these responsibilities away from the miners and the coalowners. The provision of infrastructure for *gratis* and state regulatory powers left the owners free to concentrate on the relations of production at the workplace, and competition between themselves. The latter two activities have been arenas of fierce struggles.

In the 20th century the state increasingly mediated on behalf of coalowners in every aspect of the capitalist mode of production, superficially appearing judicious and impartial. Despite the state's obvious partisanship, and the financial benefits Federal and NSW governments derived from their support of free enterprise in coalmining after 1947, the relationship between state and capital is not viewed as conspiratorial, but rather as it is perceived by both, as necessary and natural. The role of the state as a mediator in the relations of production from 1900 had profound implications for class relations.

By examining the relations of production in considerable detail as they change over time the thesis reveals the nature of class relations, that is, relations between capital and labour, owners and miners, in one key industry. Although these relations of production do not exhaust the total patterns of class relations, they indicate essential determinants of these broader relations. Nevertheless, the thesis makes no claims to be a comprehensive analysis of class relations. While cognizant of the vast array of relations of production in NSW coalmining, the thesis primarily investigates 'the direct
relationship of the owners of production to the direct producers as well as the state's role in the relationship. That is, in the instance of the owners and the miners, its main concerns are relations at the workplace and those directly affecting production. The thesis is not an exposition on the nature of the state either. The debate on the fabric of the state is complex and occupies a range of literature too vast for the purposes of this thesis. Rather, it is concerned with the relations of production in the coalmining industry of NSW in which government mediation figured prominently in the 20th century.

According to the argument of the thesis, the state's increasing intercession to change the relations of production through wage determination and other facets of the reproduction of labour power, intensified the incidence of the wage-labour relationship, which owing to the earlier predominance of piecework many miners had been able to evade. In so doing, the state made wage-labourers out of miners who considered themselves self-employed and institutionalised a tendency among them and owners to co-operate with each other against their own 'class interests'. This phenomenon, often referred to in some literature as 'class collaborationism' often characterised industrial relations from the 1840's, notwithstanding the industry's disputatious character.

The terminology 'class collaborationism' or any other mention of class with specific reference to the miners or owners in the thesis is made with some reservation and a certain amount of irony. One of the prime undertakings of the thesis is to demonstrate that the class consciousness, which, according to some Marxist literature the exploitative nature of coalmining labour should have produced among miners, was absent during the 19th century and did not emerge significantly in the 20th. In fact, during the 19th century in particular there was a notable lack of social cohesion among the workforce, let alone any notion of class. For that matter, the owners, with the exception of belonging to selling cartels or industrial associations, did not embrace class solidarity either.

One of the tasks of the thesis is to elucidate the curious vacillation from collusion to friction between the owners and mineworkers on the one hand and the

antagonism between miners on piece rates and wage labourers on the other. These contradictory relations were the result of a lack of class consciousness among mineworkers as well as the owners and are typical of class behaviour under a wide range of capitalist societies investigated by Marxists since the 19th century.\(^5\) The profound lack of class awareness among the proletariat in particular occupied Marx, but to a far greater extent has concerned the works of many Marxist theoreticians since.

In *The Eighteenth Brumaire Of Louis Bonaparte* Marx demonstrated the difficulties of the development of class consciousness among ‘small-holding’ French peasants\(^6\), who like the large proportion of 19th century NSW miners on piecework, were neither properly proletarian nor petty bourgeois. The pursuit of common class interests for the French peasant and NSW coalminers alike often conflicted with specific, (mostly economic), interests of individuals or groups of workers. Typically, among NSW miners the scarcity of class cohesion was due to differentiation in the income structure of pieceworkers as well as between them and those miners who were on wages.

For both Karl Kautsky and V.I.Lenin (‘political’) class consciousness could only be introduced to the working class from without it by intellectuals.\(^7\) However, this was not the experience of NSW coalminers either. As far as some of the more recent Marxist class analyses are concerned, notably that of N.Poulantzas, class and class struggle should not be viewed as schismatic conflict between the proletariat and bourgeoisie, but rather as the discord between allied groups of which one grouping is dominated economically and socially by the other.\(^8\) The latter perspective, while not completely representative of the relations between owners and miners either, is perhaps more


\(^6\) Marx, Engels, *op.cit.*


apposite in relation to the NSW coalmining industry than any other interpretation of class relations so far, including several of the classical Marxist renditions.

NSW coalminers were not conscious of themselves as part of one class which could transform itself from a 'class in itself' to a 'class for itself'. This re-examination of class applied to the class dynamics of the NSW coalmining industry holds for the era before government intervention; and it also offers a convincing explanation of the developments in relations after the state began to mediate in the relations of production directly.

* * * * *

Wherever possible the empirical research for the thesis was conducted in the primary sources. The preference for primary sources was a result of the limited fields of inquiry of most of the secondary sources as well as occasional factual error. It was also useful not to accept uncritically the ideological framework of some of the secondary sources, which in some cases was misleading either by design or unintentionally. Generally, but not always, as discussed below, the ideological disposition of the primary sources was distinguishable and could be discounted. While this thesis is informed by a range of works on British coalmining, this literature, despite a similarity in mining methods, management and union practice, is not entirely relevant to NSW coalmining. With the exception of H.Braverman's inspirational *Labour and Monopoly Capital* the labour process literature does not shed much light on the relations of production of the NSW coalmining industry either. First, other than in this thesis and the research conducted by this author elsewhere, there is almost no other study of the labour process in the NSW coalmining industry. Many of the works on the general labour

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11) A.Hopkins and J.Palser,'The Causes of Accidents In New South Wales Coal Mines',ANU, October 1984; A.Hopkins;'Blood Money? The Effect of Bonus Pay on Safety in Coal Mines', *Australian and New Zealand Journal of Sociology*, 20, (1)March 1984. These render only truncated versions of mechanical mining which are incomplete as well as mistaken in their assumptions; for full critique, vide Dingsdag OHS.
process are too wide in their fields of inquiry and arrive at conclusions incommensurate with their investigation. Others, concerned with industries other than coalmining are too specialised for a useful application for coalmining purposes. In general, coalmining literature scarcely addresses the specific issues germane to this thesis.

On the main, the historiography of NSW coalmining also lacks comprehensive accounts of the principal issues raised in this thesis. In fact, its formulation is in part a response to the lack of cohesion in any of the works on the NSW coalmining industry which address restructuring, class relations and the state’s involvement in the former and latter. This flaw mars the analyses of left and right-wing authors. In the former category, of the published works to date entirely devoted to coalmining, except for R.A.Gollan’s *The Coalminers of New South Wales*, E.Ross’ *A History of the Miners’ Federation of New South Wales*, P.Thomas’ *Miners In The 1970’s, A Narrative History Of The Miners’ Federation* and C.Fisher’s *Coal and the State*, none address these issues at all. Thomas’ capable work, by its title, a narrative history, indicates that it consciously avoids these analyses. Gollan and Fisher stand apart from all others in their explicit recognition of the centrality of the relations of production as an explanatory device for the development of the industry’s class relations, but fail to distinguish the real nature of its class dynamics. E.Ross’ *A History of the Miners’ Federation of Australia*, like most other publications either fully or partially concerned with coalmining published subsequent to *The Coalminers of New South Wales*, is largely informed by Gollan and in consequence suffers the same pitfalls. Ross insists on attributing to the miners and the Miners’ Federation a pervasive class solidarity and militancy which neither actually possessed. *The Coalminers of New South Wales* and more particularly *Coal and the State* are imbued by this notion and tend to resort to the

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miners' militancy as the determinant of industrial relations. Fisher claims that the industry was regulated from 1947 because the Miners' Federation wanted government regulation and gained it through its industrial clout. However, Chapters V, VI, VII, VIII and IX of this thesis show that government control (without nationalisation) was foisted on the Miners' Federation against its will.

While they are the creations of self-proclaimed Marxists, Fisher's, Ross's, and to a lesser extent Gollan's works, lack comprehensive analyses of the relations of production thereby weakening their class analysis. They and others largely concentrate on the conflict between two amorphous class enemies, 'radical' miners and 'exploiting' owners, without explaining the finer detail of class conflict within the classes. As fully detailed in Chapter II, another and most extreme exponent of these views is V.Burgmann.\(^\text{16}\)

Despite partial attempts to explain the role of the state, particularly by Fisher, no published work on the NSW coalmining industry has attempted a sustained analysis of the state's mediations. No Australian writers have followed the valuable lead of Ben Fine, Kathy O'Donnel and Martha Prevezer in their exposition of state polity in British coalmining.\(^\text{17}\) So far, no work on the NSW coalmining industry has attempted a sustained investigation of the alienation of Crown land for coalmining purposes, nor has any social scientist elucidated the machinations of *laissez-faire* during the 19th century, in particular the administration and, (non-), payment of coal royalties. Conservative writers of NSW coalmining completely ignore the state as a theoretical concept and accept its role *a priori*; while most of their Marxist counterparts only implicitly recognise the state's agency.

Gollan's conceptualisation of the state mostly entails descriptive accounts of its regulatory functions in safety, health, industrial relations and its transactions in parliament. The treatment of these issues in *The Coalminers of New South Wales* and, in fact, its entire chronology is too heavily focused on the 19th century and the first half


of the 20th. While admitting as much in the last chapter, Gollan devotes only 18 out of 238 pages of text to the post-war period. Despite this limitation and its heavy concentration on the Northern of NSW's three coalmining districts, it is to date the most erudite exposition on the NSW coalmining industry.

Fisher on the other hand provides a consciously limited study of the state agencies created after World War Two, namely the JCB and the Coal Industry Tribunal. Thereby he in part redresses all other coalmining historians' neglect of the post-war state and partly rectifies Gollan's glossing over of the period, but remains largely informed by Gollan's class analysis. Overall, by neglecting the state and the coalowners, Gollan, Fisher and other labour historians exaggerate the power of the miners in the relations of production. According to the account advanced in this thesis, the miners' agency was largely reflective and not formative in primis, but derived its impetus from the owners' dominance which embodied the capitalists' normal superiority in the relations of production.

Because of a lack of rigorous class analysis by the radical Australian historians18) who influenced them, Gollan, Ross and Fisher perpetuate the conservative mythologies found in literature and newspapers regarding the militancy of miners. By contrast, all of the conservative authors, without exception, but in varying degrees, hold the miners responsible for all of the industry's ills. They vary in perspective from the sympathetic, to intensely right-wing and conservative prognoses. The most extreme and least analytical is M.H.Ellis' *A Saga of Coal*,19) which, commissioned by the Newcastle Wallsend Coal Co on its centenary in 1958, but not published until 1969, is little more than an apologia for the coalowners' role in industrial relations by overlooking their mismanagement of the NSW coal industry. *Coalfields and Collieries of Australia*,20) an earlier publication by a former president of the Australasian Institute

20) F.Danvers Power, *Coalfields and Collieries of Australia,* Melbourne, Critchley Parker, 1912.
of Mining Engineers, F.Danvers Power, principally devoted as its title suggests to a descriptive narrative of collieries, evinces similar attitudes.

A far more knowledgeable and influential right-wing analysis, expanded in Chapters IV, V and VI, is offered by C.G.W. Davidson, thrice chairman of royal commissions investigating various aspects of the NSW coalmining industry. Unfortunately for the miners, Davidson, a NSW Supreme Court judge, who became increasingly conservative particularly as he was getting closer to his knighthood, had an influential role in the formation of the JCB and the Tribunal.

Of the more progressive conservative analysts, the economist F.R.E. Mauldon, is one of the most sympathetic to miners. In *The Economics of Australian Coal*,21) Mauldon sheets home the blame for the NSW coalmining industry’s collapse during the 20’s to the owners. Yet, despite an empathy with miners developed while district tutor for the Sydney University in the Hunter Valley during 1921-25, he continued to blame ‘work practices’ for the industry’s inefficiency. Mauldon’s argument lacks a basis in political economy. It rests on an exposition of theoretical economics which embraces a notional market equilibrium and completely excludes class relations as a causal factor in the relations of production. Yet, in spite of the classical economics that permeate an article22) published by Mauldon in 1947, he claims that the technological backwardness of the coal industry during World War Two was largely due to the neglect of the owners. Hence, the industry’s inability to increase production.

A.G.L. Shaw’s and G.R. Bruns’s *The Australian Coal Industry*23) is based on a similar economic enquiry but tends to blame the miners. The most sympathetic, but most misguided in its attitudes to miners is A. Walker’s *Coal Town: A Social Survey of Cessnock, NSW*.24) A published version of a MA thesis begun in 1942, *Coal Town* arrives at the dubious conclusion that miners were militant because they were

21) F.R.E. Mauldon, *The Economics of Australian Coal*, Melbourne, MUP, 1929. (Mauldon Economics)


Communists, or sympathetic to the USSR, but above all, because they had a pathological fear of going underground.

Those published works which are partly devoted to NSW coalmining are mainly informed by similar notions of miners' militancy and not surprisingly those not written by left-wing authors, generally blame the miners either explicitly or by implication for the industry's war-time deterioration and other crises. By these authors' political orientation and their conceptualisation of the industry it is not surprising that they also do not adequately address the issues of class central to this thesis. Although Marxist inspired, K.Tsokhas' *Beyond Dependence; Companies, Labour Processes and Australian Mining*25) also lacks consistency when explaining the class relations of the labour process, despite its many other merits. L.Richardson's *The Bitter Years, Wollongong during the Great Depression*26) is an exception to the trend. Where it alludes to coalmining it demonstrates a thorough understanding of the industry's class relations as well as the miners' political behaviour. The economic historians S.J.Butlin's *Australia in the War of 1939-1945, War Economy*27) and S.J. Butlin's and C.B.Schedvin's *Australia in the War of 1939-1945, War Economy, 1942-45*28) render fairly impartial, descriptive accounts of government measures during the War, but are generally imbued with a notion of the miners' blameworthiness. P.Hasluck's *The Government And The People, 1939-1941* and *The Government And The People, 1942-45*,29) like Butlin's and Butlin's and Schedvin's works government-commissioned 'official' versions of Australia during the War, are far more openly hostile towards the miners.


Of the unpublished works on the NSW coalmining industry, J.W. Turner’s ‘The Influence of J. & A. Brown on the development of the New South Wales Coal Industry with particular reference to the work of John Brown 1843-1914’ and ‘Coalmining and Manufacturing in Newcastle’,30) MA and PhD theses respectively, offer useful investigations. While not attempting overt class analysis, they contain voluminous detail on the Northern district’s industrial relations and the owners’ machinations in the business of competition. Largely based on primary sources, they provide much of the raw data for this thesis’ first two chapters. E. McEwen’s PhD thesis ‘The Newcastle Coalmining District of New South Wales, 1860-1900’,31) employs a class analysis which is primarily inclined towards establishing the existence of a labour aristocracy among Northern district miners during the 19th century. While at variance with the class analysis of this thesis, it uses similar explanatory devices, but arrives at different conclusions. Nevertheless, this was one of the most useful unpublished sources for this thesis’ earlier chapters.

No comparable post-graduate theses are available on the Southern and Western districts, the other of NSW’s coal-producing regions. The only one entirely devoted to coalmining in the Southern district, W. Mitchell’s ‘The Miners of Southern NSW, A History of the Union to 1900’,32) is descriptive, narrative and heavily based on newspaper articles. As its title suggests, it is concerned with the Southern District’s coalmining unions and not issues germane to this thesis. For the Western district specifically, the only worthwhile work is R.J. McInnes’ ‘Lithgow 1869-1930; An outline Economic History of the Town’,33)a BA thesis which contains very useful information.


The primary sources provided most of the evidence for the thesis. Despite their fragmented nature, they yielded what the secondary sources did not. For instance, a wide search of royal commissions, parliamentary inquiries and union records provided a thoroughgoing description of the work process and work practices fundamental to the explanation of the relations of production not found in any Australian secondary source. Most of the latter give only superficial, descriptive accounts that do not adequately explain the genesis and the development of the relations of production or restructuring. Indeed, the superficiality of their investigation of the work process does not enable them to advance more penetrating insights.

Of the primary sources, the government documents, especially the royal commissions and parliamentary inquiries are the most useful. Some government publications leave a lot to be desired. This is especially the case with the JCB Reports, which because of the sensitive political nature of the rationalisation of the industry are prone to explain important events euphemistically, by glossing over them, and sometimes, when they are embarrassing to the JCB, by ignoring them completely.

One of the difficulties constantly confronting the thesis is the obfuscation in the Department of Mines Reports, JCB Reports and all other government publications of the statistics on the price of coal, as well as productivity figures. In the Department of Mines Reports, which were the only original source of statistics until 1947, the average prices of coal, by themselves statistical abstractions, are also given as 'average value'. In fact, these are pit-head prices which bear no resemblance to the often exorbitant prices charged in the various trades; but the average pit-head price does not resemble the cost of coal per ton either. In the instance of production statistics, these are really the annual amounts sold, without any regard to actual production. Until the publication of the JCB Reports there is no way of knowing the amounts individual mines stored in

34) Except for Dingsdag OHS and J.Hagan and C.Fisher, 'Piece-work and Some of its Consequences in the Printing and Coal Mining Industries in Australia', Labour History, No.25, November, 1973. The latter provides a sound, basic, description, but one which is too brief, however.

35) Annual Reports of the Joint Coal Board.

36) New South Wales Department of Mines Annual Reports.
mine stockpiles, railway trucks at sidings or at the waterfront. Productivity statistics are simple annual tonnages produced by underground and pit-top workers without regard to the division of labour or the intermittency of employment.

The coalowners' and unions' records too are fraught with difficulties. The surviving available papers of employer organisations are inconclusive in content, and their frequently non-committal language probably does not reflect their real intent. This is most likely a result of the industry's competitiveness which on the one hand precluded co-operation and yet on the other, driven by an unrealistic fear of government intervention, tempted the owners to collude against governments. Consequently, some sensitive information was gleaned from confidential correspondence belonging to individual companies accidently made available to the author. Similarly, other useful information was gained from examining apparently inoffensive and unrelated material. Vital knowledge often came from former middle to upper management officials during interviews, generally inadvertently admitted. In general, officials from managers down were more forthright than their seniors.

The union sources are equally impenetrable, at times intentionally, but more frequently through neglect. The second instance mainly occurs in minute books which for example discuss work-related events and issues based on a level of understanding which excluded explanation because miners did not need it. Consequently, practices not requiring explanation because they were part of the miners' life-blood are difficult to penetrate by outsiders, especially after many decades have intervened, unless they are thoroughly investigated and supplemented by much research. Unionists too obfuscate the truth intentionally. Union documents abound with accounts of issues which appear to convey a certain objective, but which in reality are pretexts to make gains, generally in income and conditions. The most penetrative and valuable insights were provided by former and current officials of the Miners' Federation. Unlike many of their employer counterparts, during interviews they were generally forthright and prepared to answer any question. Rank and file members of the Miners' Federation evinced the same attitude.
The thesis is developed chronologically into nine chapters, the first two dealing with the 19th century and the remaining seven with the 20th century. In Chapters III to VI the themes of each are sequential chronologically as well as interactive independent of chronology. Chapters VII, VIII and IX are concerned with the years 1952-1982. As well as empirically, treatment of the 19th century is essential to the development of the major theoretical considerations of the thesis. For, well before the end of the century, the relations of production characteristic of the industry during the 20th century were firmly entrenched: trade practices and union custom and practice were resolutely in place. These were not even affected by the changes to the means of production caused by technological change from 1903.

Chapter I outlines the origins of the industry’s trade practices and their role in the relations of production. An over-riding concern of the chapter is to demonstrate the pervasiveness of excess capacity and how its chronic presence was the basis of many of the industry’s practices. Excess capacity was a concomitant corollary of the overproduction that afflicted the industry from its inception. From the outset mines were constantly capable of producing more, and owing to the absence of government control, they frequently did so to their detriment as well as their competitors’. These conditions, simultaneously cause and effect of fluctuating demand, were the mainspring of a continuum of price-cutting that forced owners to form loose selling arrangements and cartels. For the same reasons, owners also plundered the Colony’s coal reserves in order to produce coal cheaper and faster. These malpractices became the normal order and remained so in the 20th century.

Another important consideration is the discussion of the development of the relationship between the state and the owners from the time the industry emerged from its pre-capitalist, convict mode of production into capitalism proper. The chapter maintains that the quasi laissez-faire, practised during the 19th century, was made possible by the non-interventionist policy of governments which deliberately did not interfere in the production or distribution process. Yet otherwise, NSW governments pursued an interventionist policy, providing free infrastructure, ceding large tracts of coal-bearing land and until 1884 not charging any coal royalties. However, other than
its active participation in immigration the state did not interfere in the labour market and let the owners regulate labour at the point of production.

These developments had a profound bearing on the matters discussed in Chapter II. It serves the function of explaining the role and class dynamics of the workforce in the relations of production. Like the former chapter, it maintains that the relations of production it describes formed the basis of those during the 20th century. Owing to endemic overproduction and underemployment, miners, in particular hewers, were forced to vacillate between confrontation and collaboration with the owners; these conditions also caused miners to ignore their own and the safety of others; all these traditions remained. Underemployment and piecework individualism also caused divisiveness in relations among the miners, particularly between hewers, generally the highest paid pieceworkers, and 'day-wage' labourers. This a paradox ignored by other social scientists who ascribe a class solidarity to miners which the chapter and the thesis discounts. The chapter defines economic and geological circumstances which militated against union solidarity and debunks the community of interests often attributed to miners. By analysing the work process and custom and practice, it also puts to rest the myth of the miner as an archetypal proletarian. It shows too that the control over the means of production commonly assigned to miners in the literature discussed above and below, was transitory and could only be exercised at unusually opportune times.

Chapter III describes the first mechanisation of the coal face in 1903 and the resultant restructuring of the industry both in geographical relocation and the change to the workforce it engendered until 1929. The era is also notable because of structural change in the relations between the owners. Despite modification to the production process, the relations between the owners and the miners remained virtually the same, but technological change did diminish the importance of the hewers amongst other mineworkers. However, even after the formation of the Miners’ Federation in 1915, its executive had difficulties in creating a cohesive combination from the loose miscellany of lodges constituting the Miners’ Federation. The role of government, especially in the reproduction of labour power, increased, but other than an interest in safety and health
legislation, social insurance, industrial relations and wage determination, the marketing and production of coal was left within the realm of *laissez-faire*.

The technological aspect of restructuring was a failure. The chapter posits that instead of rationalising the workforce, reducing costs and eliminating excess capacity by destroying competitors as it was intended, the technology was so inefficient that the workforce had to be increased and that costs and prices rose so inordinately that the industry priced itself out of many markets. Further, the workforce control over the means of production that the technology was supposed to counteract, was undermined by a subtle but pervasive worker resistance.

Another development of technological change, the transfer of the centre of production from Newcastle to the South Maitland coalfield, was also responsible for the industry's inordinately high prices. Under the direction of the Vend, the industry's most influential selling agency to that time, the shift to Maitland also involved a merger of the industry's largest coalowners with the nation's most powerful shipping companies. One of several selling agencies, this combination of coal and shipping was so dominant that the Vend completely dominated the sale and transport of coal interstate and overseas to the ultimate detriment of the entire industry. In the era before oil became an important fuel, the centrality of coal to the Australian economy was such that although the Vend ceased to exist its successors could even influence government decisions, particularly during World War One. Eventually, as a direct consequence of the Vend's domination, after overseas markets dwindled and the interstate trade faltered, the industry was in a state of collapse well before the effects of the Great Depression were felt in other industries.

Chapter IV, concerned with the coalmining depression lasting from 1927-28 to 1937-38, describes the culmination of the abuse to which the industry was subjected at the hands of free enterprise since its inception. As a consequence of the frittering away of the industry's accessible coal reserves available under pre-World War Two technology, by the onset of the Depression production costs increased when they should have been reduced. Principally, the owners reduced costs by decimating the overlarge workforce, and by making the remainder work harder under the threat of
unemployment. The large owners, mainly BHP/AIS, also introduced new technology at the face. Intended to increase productivity and to reduce costs of production per ton, these measures were a failure.

By the outbreak of war, when for the first time in the industry's history excess capacity was supplanted by a demand that outweighed supply, as an ironic consequence the industry could not produce sufficient coal. This was a result of the abuse of the industry's resources, its antiquated technology and above all the diminution of the workforce, which owing to the demand for war-time manpower could not be supplemented. In addition, despite increasing state activity in the reproduction of labour power, other than limited change to safety and health legislation under Labor Governments and a stronger government presence in industrial relations, there was still no government intervention in production or marketing. In spite of two royal commissions between 1929 and 1939 which investigated the production and distribution of coal, no NSW government, in which these powers reside under the Constitution, regulated these free enterprise functions despite an obvious need to do so.

Chapter V is primarily concerned with the state's first direct intervention in the industry from 1940 and the remainder of the War. Aside from the conditions described in chapter IV it adduces a plethora of reasons for the failure of war production, in particular the inability of governments to persuade the owners and miners to co-operate. As a consequence of the owners' unco-operativeness and the exigency of the war situation, Federal governments not only controlled prices, but initially took the unprecedented step of regulating the marketing and distribution of coal. Industrial relations and wage fixation too came under increasing special government scrutiny to the displeasure and cost of the owners. They were incensed: in retribution they disrupted production by fomenting industrial strife and by not working their mines to full capacity. Conservative Governments, generally the ideological allies of the coalowners, were forced to control the production of coal. The Federal Labor Government that supplanted its Conservative counterpart in 1941 intensified controls and earned the owners' undying enmity.
The miners, also capitalising on the exigencies of war-time production, set out to
even the score with the owners over the treatment they had suffered during the 30’s.
Basically, this did not alter their collaborationist perspective, but they viewed the War
as an ideal opportunity to force governments to make the owners concede better wages
and conditions. Inept government measures also fuelled an extraordinary clash of
interests between the Miners’ Federation executive and the rank and file. This schism
was underpinned by the miners’ traditional antipathy to centralised control.
Governments were negotiating with a leadership, which owing to its communist-
inspired ideology was prepared to co-operate with the war effort, but a rank and file that
was not. The Labor Government in particular was dealing with an executive of a key
union which had lost control over its membership. The miners deliberately disrupted
production by not working machinery to its fullest capacity, by taking ‘sickies’ and
creating small but frequent disputes. The result was industrial chaos, which together
with the owner’s obstructiveness made the Government resort to unprecedented
measures in peace-time.

Chapter VI describes the remedies proposed and introduced by the state between
1945 and 1952. It particularises the dilemma of governments forced to subdue free
enterprise to the national good, but having neither the inclination nor the determination
to do so. These dilemmas and their resolutions are the embodiment of the relationship
between state and capital suggested by the theoretical understanding of the thesis. Not
enabled nor emboldened by extraordinary war-time regulations, the Federal
Government had to decide to nationalise or to develop the post-war coal industry in a
free enterprise framework. In conjunction with the NSW Government it chose the latter.
The JCB and the Tribunal provided the ideal compromise. On the one hand, they gave
the state sufficient control to suit its end and on the other, despite the owners’ initial
obstructiveness, these agencies rationalised the industry in such a way that government
regulation was expedient to the owners’ needs too. Consequently, the JCB failed to
control marketing and production adequately and excess capacity returned by 1952.
Notwithstanding a natural affinity between Labor Governments and the Miners’
Federation’s members as well as many of its leaders, the Federal and State Labor
Governments instrumental in the restructuring of the industry, like the Federal Conservative Government returned in 1949, had little compunction in subordinating the needs of the miners to those of the owners and government. Despite their welfarist initiatives, the JCB and Tribunal gradually rationalised the workforce to optimise production and productivity.

Chapters VII, VII and IX are concerned with several closely interconnected developments of the industry under state control between 1952-82. Broadly, events surrounding distribution, production and the reproduction of labour are treated thematically in each chapter for 30 years. Chapter VII principally deals with measures the JCB introduced from 1951-52 in distribution after it was forced by the Commonwealth Government to deregulate distribution. With the full support of the Commonwealth and NSW Governments the JCB rationalised the number of mines and culled the workforce to reduce production costs and prices while providing assured markets for the remaining producers. The JCB also procured lucrative contracts and abundant infrastructure. Yet, with the exception of Federal control over export prices between 1974 and 1986 the owners were given a free hand in choosing their markets and establishing their own prices. As a result, not long after 1952, in distribution the industry returned to the free market situation the JCB was originally intended to eradicate.

Chapter VIII describes the modifications to the production process necessary to rationalise the industry. Whereas before 1952 many owners had refused to mechanise their mines, government tolerance of free enterprise marketing practice, generous tax subsidies and government-guaranteed profit margins persuaded the owners to mechanise to reduce costs per ton. However, until 1954 these concessions were not sufficient inducement for owners to embrace technological change completely. First, the owners needed the co-operation of the NSW Government and Tribunal to lift an embargo on the mechanical mining of pillars in force since 1941. Second, to offset the large outlay of capital required for technological change the owners wanted profound change to established custom and practice to permit the extension and intensification of production. These measures necessitated the subordination of the Miners’ Federation
and the workforce. In these pursuits the owners had full government backing. Even so, the Miners’ Federation resisted, but with diminishing success. Yet, while the Federation’s control over work practices faded under the Tribunal, owing to the industry’s improving economic situation, the Federation was able to extract several favourable decisions from it.

On the main Chapter IX is concerned with the government measures introduced to make restructuring acceptable to mineworkers. In the instance of the JCB these methods ranged from a welfarist initiative in mining communities to the pursuit of ‘industrial hygiene’ at the workplace. This policy served the purpose of improving miners’ health, rectifying primitive conditions at mines and ameliorating amenities often lacking in coalmining settlements. These measures, together with stringent medical checks designed to reduce the age of the workforce and to prevent the entry of medically unfit workers, also increased productivity and changed the workforce’s work ethic by altering its composition. The Tribunal’s decisions too enhanced productivity and altered traditional perceptions of mechanisation.

The introduction of the bonus by the owners also had a profound influence on the workforce’s attitudes to technological change and induced mineworkers to increase production to the extent of risking their safety. The bonus was also instrumental in consumating the changes to traditional relations of production initiated by the JCB and Tribunal. In concert with the Tribunal’s mediation in wage fixation and arbitration designed to eradicate the prominence of the lodge, unlike the conflict of interests generated under piecework individualism, the bonus re-constructed the workforce’s antipathy to centralised union control and further undermined the Federation’s already tenuous authority at the workplace in a manner suitable to the needs of production. Yet, the combined effect of state mediation and the bonus had unexpected results. Even though strike activity, absenteeism and the incidence of reported accidents fell until the late 60’s, from the early 70’s they rose. One of the tasks of the chapter is to explain this relapse which was the unexpected outcome of scientific management gone awry.