

Contract Work at Mt Lyell, 1903-1923

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Late on the night of 5 December 1911, Norman White, a union official from the Amalgamated Mining Employees Association (AMEA), working at the Mt Lyell Mining and Railway Company's underground North Lyell copper mine in Queenstown Tasmania, began to suspect that a party of stoping contractors working for the company was working longer hours than it should have been. He was right. Discovering the contractors hard at work, he demanded that they cease because they were breaking union rules by working longer than an eight-hour day. A fight ensued. When the company's officers heard about it the next morning, they sacked White and ordered him from the mine. The issue for the company was clear. White was trespassing and interfering with the work of other company employees, contractors who were entitled to work for as long as they liked. The issue for the union and its members was equally clear. White had been engaging in legitimate union business, enforcing the union's rules, and his dismissal was unjust. The union called its members out on strike, with the only demand being White's re-instatement. As the company refused to budge and the strike dragged on, the union broadened its demands to include higher wages, an eight-hour day and overtime. After 56 days, and faced with the company's intransigence, the union let White go, but there were gains. The company conceded an increase in wages, a maximum eight hours day and the promise of future overtime. Perhaps the most important result, however, was that, for the first time, the company recognised the union.¹

This strike seems to have been the longest and bitterest in the history of the Mt Lyell Company. But why did this conflict come to a head over contract work? Contract work was a common form of work organisation in Australian mines. In brief it meant that a group of miners would sign a contract with their employer to do a certain amount or kind of work, paid on a mutually agreed standard. Thus it represented a marked contrast to wage work, where workers received a daily or weekly wage. This article will explore some of the

implications and complexities of contract work at Mt Lyell, particularly as it applied to ore-getting or stoping. The existence, extent and disposition of contract work was the result of careful considerations by management of a range of issues: the nature of the ground to be mined; cost and productivity benefits; supervision; management's perception of the capabilities of its workers; worker resistance; union agitation; shortages of labour and the desire to attract skilled miners. The company was also aware that contracting divided its workforce. Contracting, therefore, was 'contested terrain'. This article covers the period from 1903, when the company introduced stoping contracts for the first time, to 1922. That year, confronted by a catastrophic fall in copper prices, new manager Russell Murray abandoned the pyritic smelting process developed by his predecessor, Robert Sticht, for the new technology of flotation, closed one of the company's mines, shut down all its smelters bar one and sacked a quarter of his work force. One of the key problems contract work addressed, the shortage of labour, had been solved

Historiography

There is relatively little study of contract work in Australian mining. Probably the only systematic analysis of contract work in coal mining is the 35-year old article by Hagan and Fisher on New South Wales coal mines. Hagan and Fisher analysed the place of contracting in coal mining culture and how it shaped relationships between management and union. They also showed how miners regulated output through the 'darg' (restrictions on output), applied the 'cavil' (the distribution of contracts by the miners themselves) and worked with common-sense assumptions about 'making wages'. Once they reached a satisfactory level of wages miners would simply stop working. Hagan and Fisher showed how this culture gave miners independence from their employers but also how it represented a self-imposed form of work discipline.²

The literature on contract work in metal mining is more varied than the writing on coal mining because metal mining itself is more diverse. The origins of contract work in Australian metal mines, especially in copper mines, seem to lie in the copper and tin mines of Cornwall in the UK. Historians of copper mining have shown that in the eighteenth and nineteenth century Cornish mine owners and miners developed a system that divided work into two categories: 'Tributing', in which groups of miners contracted with their employers

in a public bidding process to mine ores from stopes, with earnings based on the market value of the ore; and 'Tut' work, where a group of miners did development work and earnings were based on the distance worked. Providing miners with the independence that suited the Cornish temperament and mining companies with a means to increase output and pass costs down to miners, the contract system flourished and solidified into a distinct work culture that became identified as specifically Cornish. In the long term, however, tributing proved to be an erratic way of working which often failed to deliver higher earnings to miners. It declined over the second half of the nineteenth century, being replaced by a system in which output was measured by weight rather than value. Other attributes of the system also fell by the wayside, so in those places where tributing once reigned, a new form of contract work evolved. At the same time companies began to introduce a wage system, in which miners were paid for the hours they worked. Henceforth companies paid their workers in three ways: through the new form of contract, 'tut' work or wages.³

Historians of the Cornish diaspora have shown that as the Cornish fields declined in the later nineteenth century, miners migrated to Australia, New Zealand, South Africa, the USA and Canada. In each place the Cornish system quickly became dominant, but just as occurred in Cornwall, new forms of contracts and wages pushed tributing aside.⁴ Historians of Australian copper mining have shown how the system changed in the copper mines at Burra Burra, Moonta and Wallaroo, the 'Little Cornwalls' that represented the founding moments of the Cornish diaspora in Australia.

Much of their writing on the early days of tributing and tut work attributes its popularity to the same individualist ethos the historians identified in Cornwall, and the apparent industrial harmony on the copper fields, to that very same system of tributing and tut work. However, they also describe how, in the latter part of the nineteenth century, tributing got caught up in the conflict between labour and capital and the growth of 'new unionism'. Robinson, for example, shows how the South Australian unions agitated to replace tributing with wages, while at Wallaroo the Amalgamated Miners' Association won the right to run the tendering system, much as the coal miners did in NSW.⁵ Pryor describes how private replaced public tendering twenty years after the establishment of the mines at Wallaroo and Moonta, how a measurement of output based on tonnage replace the value of ore and how the whole system was abolished in 1910 after the intervention of the British

union leader Tom Mann.⁶ Clearly Cornish individualism had dissolved by late in the century, but Mel Davies has argued persuasively that collectivism can be found as early as the late 1840s when Burra Burra miners struck work over the assaying of ores and wages, hence that ‘cohesion and collective action were not as alien to Cornish miners as has hitherto been believed’.⁷

Geoffrey Blainey’s mining histories are marked by his admiration for the independence of the ‘red-shirt’, contracting and share-holding miner-capitalist the adventurous life of the prospector and the gambler’s instinct of the promoter. For Blainey, tributing in South Australia was an expression of the independence, courage and capacity for hard work of the Cornish miners and their antipathy towards wage work. He argued that tributing expressed the typical miners’ belief that a fortune lay just around the corner. But inevitably the era of ‘red-shirt capitalism’ faded and miners (regretfully, according to Blainey) became wage earners. At Broken Hill, for example they substituted ‘collective steps’ for ‘their own initiative and judgement to improve themselves’, to the point where they struck work in 1892 against the introduction of contract work.⁸ And it is this shift to wage work that Blainey blames for the rise of industrial disputes at Broken Hill. His equation is simple: tributing brought industrial harmony, wage work, industrial strife. Blainey adopts a similar approach in his history of the Eastern Goldfields in Western Australia, where he shows that, in the early twentieth century, a new system of tributing evolved in which miners, ‘rented’ parts of gold mines from owners and shared the proceeds. He also observes that this kind of tributing was introduced by companies whose mines were ‘moribund’, suffering low profit margins, declining yields and low prices.⁹

Pat Bertola’s studies of the Eastern Goldfields are quite different. Bertola critiques the tendency of previous histories to analyse tributing only as a consequence of a declining industry. He agrees with Blainey that during the period of stagnation following the First World War, gold mining companies introduced tributing and shows that by 1930 in Kalgoorlie, tributers and their employees made up between 60 per cent and 75 per cent of the entire underground workforce.¹⁰ But for Bertola, tributing enabled companies to maintain profitability by reconstructing their relationship with their workforce. Thus tributing was used to reduce wages, pass costs to miners and enable companies to increase their share of the proceeds of the mines’ output.¹¹

Practically all other historical study on wage systems in metal mining takes place at Broken Hill. Dale and Kennedy, for example, contextualise contracting in the class war of the 1890s, when shearing and mining unions fought bitter battles with employers over the broad issue of the union 'closed shop' versus 'freedom of contract'. The 1892 strike was over an attempt by the Broken Hill companies to replace wages by contracting. For the companies, contracting represented 'freedom of contract', and the prospect of greater productivity; for the miners it represented an attack on their union and the introduction of a dangerous form of competition among miners.¹²

Study of the labour process in the Australian mining industry is relatively underdeveloped. It was Harry Braverman, the American Marxist historian, who described the degradation of work in capitalist economies and set the scene for practically all later histories and sociologies of work.¹³ While the complexities of Braverman's argument will not detain us here, his argument that de-skilling of skilled work was the basis of the relentless search for managerial control and the fundamental principle underlying changes to the labour process, has been subject to increasingly sophisticated critiques. One, by Richard Edwards, argued that, whereas Braverman posited a zero-sum game whereby management won control over the work process and workers lost it, in reality the relationship between worker and management was much more complex and was characterised by a wide range of conflicts.¹⁴ Another, by Michael Burawoy, was that in order to obtain and maintain control, management used a range of other strategies such as 'responsible autonomy', whereby employers permitted highly skilled employees to work autonomously, thus taking advantage of workers' loyalty to the firm; or exploiting their self-interest in maximising wages through piece work or contract schemes.¹⁵

The only historian of mining to use labour process studies to analyse the history of mining work is Kosmos Tsokhas who examines the labour process in several Australian metal mines after the Second World War. Tsokhas did much of his analysis in Mt Isa and Broken Hill, where contracting, along with bonuses, computerisation, welfare, and time and motion studies, was designed to increase output, increase the flexibility of the workforce, impose discipline and undermine 'dargs'. Unions and contractors wanted contracts because of the high wages miners could earn but insisted that contracts guarantee them a percentage over the regular wage. They would use the 'darg' if they thought it warranted, often

employing it at the beginning of negotiations for a new industrial agreement.¹⁶ Analysis of the labour process is essential to Tsokhas's work, as it is to understanding the history of contract mining at Mt Lyell. Although there are significant differences between the circumstances at Broken Hill and Mt Lyell, Tsokhas's analysis provides an excellent basis for this study.

The Mt Lyell Company and the contract system

The Mt Lyell Mining and Railway Company dominated the Mt Lyell mining landscape. For most of our period, the renowned North American metallurgist, Robert Sticht, was its general manager but Basil Sawyer, formerly a member of the Royal Commission that investigated the Mt Lyell fire disaster in 1912 replaced him that year, Sawyer remained until 1920 when Sticht returned briefly before retiring. On his retirement the Melbourne trained Engineer in charge of the mines, Russell Murray, who had replaced W.T. Batchelor as engineer when the latter died in 1906, replaced Sticht. The significance of these appointments for the history of copper mining in Australia is that none were old mining captains from the Cornish era in South Australia, practical miners who had worked their way up to management. Rather they were professional engineer/metallurgist/managers who brought both scientific knowledge to their work and a wholesome distrust of the accumulated knowledge of skilled miners and working class culture.¹⁷

Contract work at Mt Lyell was one of several management strategies designed to deal with its workforce: simple authoritarian control, typical of early twentieth century management; the bureaucratic organisation of work, manifest in detailed sub-divisions and hierarchies of work; and the systematic provision of welfare.¹⁸ The company tried to solve its labour problems by trawling other metal minefields in Australia, then sought labour overseas, first from Malta then from Italy, but, as mentioned above, the introduction of flotation provided the solution in 1922.

Contract work at Mt Lyell was introduced by Robert Sticht who had cut his teeth in the big US copper mines where traditional Cornish tributing had fallen into disuse and had been replaced by simplified contract work and wages.¹⁹ It was introduced probably in 1903 to complement the wage payment system that had been introduced by the company from the beginning. It seems to have been popular with the miners, many of whom came to Mt

Lyell from the moribund South Australian copper mines via the declining deep mines in the Victorian gold fields.

The company introduced contracts for three kinds of workers: those doing development work in its underground mines; the ordinary rock-breaking, ore-getting miners in the stopes; and truckers. It used contract miners for its development work in both underground mines, in rises, winzes, drives and crosscuts, paying them by distance worked and including in their contracts 'dead' work such as making roads, water-ways and timbering. This kind of work remained an unproblematic and essential part of the Mt Lyell remuneration system throughout our period.²⁰ In 1909-10 the company introduced contracts for its North Lyell mine truckers, probably when it decided to alter the terms of its stope mining contracts to exclude all but the actual work of mining (discussed below). It was a short-lived experiment. In 1913 Murray wrote that the company found that if there was no trucking to be done because the supply of ore at different mine levels was too erratic, contract truckers simply waited till ore arrived; whereas if they were on wages they could be directed to other places to work. Then, in 1913, a new wages scale put truckers, shovellers and mullockers all on the same wages (hitherto they had been on different wage scales) so they became very easily interchangeable.²¹ Also, Murray wrote, being 'mostly youths of the irresponsible type', it was impossible to get truckers to agree on anything. They were always holding meetings and calling on the company's officers to sort out their disputes. At the Mt Lyell mine, where the quantity and output of ore was much more consistent, the Company preferred to use truckers on wages, although it briefly let separate contracts for truckers at each level: not however, to 'irresponsible youths, but to the 'navvy class of workers'.²²

The company introduced its first ore-getting contracts in its North Mt Lyell underground mine after it took control of its fierce rival and neighbour, the North Lyell Company in 1903. The reason for introducing contracts is unclear. Blainey describes the high wages the North Lyell Company paid to its miners before the takeover and the desire of the Mt Lyell management to reduce wages in line with its own,²³ so it may have been to encourage the North Lyell miners to stay with the amalgamated company. The need to increase output in an under-performing North Lyell mine and to counter problems of supervision in its small, isolated stopes may also have been a factor. In the context of what

seemed like becoming a permanent shortage of good mining labour, it may have been to encourage miners from mainland mines to come to Mt Lyell. Sticht told the Melbourne office in 1906 that Mt Lyell was a 'circumscribed' community and as a result the 'tendency of the class of work accomplished [was] to sink rather than to rise'. While this reflects Sticht's very low opinion of his workforce, it was also a comment on the difficulties he faced in getting the kind of workers he wanted.²⁴ In any event, by 1906 the company was so pleased by the increased output of contract work in the North Lyell mine that it wanted to put the whole of its North Lyell mining workforce on contract, and by August 1906 it seemed to have done so.²⁵ However it always distinguished between the North and the Mt Lyell mines in relation to contract work. It did not begin contracting in the Mt Lyell mine until 1910. In this mine, the stopes were bigger, closer together and so made for much easier supervision. In addition the ground was more easily worked so the company used less skilled waged miners. Indeed most of the work was machine drilling and the company was convinced that it could be done 'by young men trained on the spot to work the machines and who are anxious to get the extra pay'.²⁶ For most of its life then, the company used more wage miners than contractors on stoping work at the Mt Lyell mine. Indeed it seems to have used very few contract miners at all.

The company set contracts in this way. When it could assess the value of work in a stope, it called for tenders from working miners and gave them the specifications of the job. As they did in the old Cornish system, prospective contractors bid against each other for the contracts, although this was done privately. The company decided on a maximum value for a piece of ground and unless the tenders were equal or lower than this no tender was accepted, but the party that offered the lowest price was invited to re-tender. Contracts required the production of a certain volume of ore. This was not measured by weight, as it was elsewhere, but by volume; the contractors had to fill a certain number of ore trucks, which made their output easy to measure. The stoping contracts were invariably for a month. At the conclusion of a contract, unless another one was signed straight away, contractors were put on wages work elsewhere in the mines. This, the company believed, ensured that the number of miners on the field stayed high and encouraged lower tenders. The company provided all tools except shovels, the steel for drills (but charged the

contractors cost price for sharpening drill-bits), explosives, timber and mullock and stores at cost prices. Contractors were paid every two weeks

In its early years the company wanted its contracts to be as continuous and extensive as possible, and it gave over to the contractors the responsibility for doing practically all the job. Thus contractors had to do their own spauling, dumping ore on the mine's passes, separating out waste, timbering, mullocking and other 'dead work'. The ore was loaded and taken away by wage-earning truckers. However after the 1911 strike the company decided to let contracts only for getting ore, with the rest of the work done by wages men in organised gangs.

The company made no bones about who controlled the terms of the contracts. It set the rules, decided who could be employed, reserved the right to remove contractors and leaders of contract teams, held back money (10 per cent of the contractors' wages until a maximum of £50 was reached) to indemnify itself against problems with the work, deducted money from wages if the required amount of ore wasn't produced, indemnified itself against death, injury and all claims for damages and declared that all disputes were to be settled finally and conclusively by the Engineer in Charge.²⁷ As Murray wrote in 1909, the contracts were 'very exacting, giving extensive powers to the Company'.²⁸

Despite these apparently onerous conditions, the company was convinced that it gave its contractors a good and fair deal. Indeed it frequently contrasted its system with that at Broken Hill, whose contracting system, Russell Murray believed, seemed designed to cause friction.²⁹ At Mt Lyell, if tenders were not filled, the company put contractors who tendered onto wages, whereas at Broken Hill they were put out of the mine. At Mt Lyell, the company set the prices for the ground and stuck to them, whereas at Broken Hill the prices for contracts were set by the companies at close to a fixed standard rate approximating to wages and were reviewed at the end of each contract period. Those contractors not agreeing to the new rates were put off. Ironically the Mt Lyell Company began to do this itself in 1914, telling miners that if they did not accept contracts at the company rate, they would not be put on wages (the union suspected that it was doing so as a means of getting rid of, and blacklisting troublesome workers).³⁰ If the Mt Lyell Company was satisfied that a contract party that was not making wages but was 'doing its

best', it paid them the going rate of wages. But if the men were 'going slow' and demanding that the company put them up to wage rates, it would terminate the contract.³¹

In 1920 the company provided a list of the number of contractors in both its underground mines. In the ten years from 1910 to 1920 there was an average of 27 stoping contractors (15 per cent) at the Mt Lyell mine out of 178 miners engaged in ore production. At the North Lyell mine from 1908 to 1920 the figures were 89 and 275 (32 per cent).³² Another set of figures gives an indication of the relationship between contracting and the 1911 strike. For six months in 1911, 84 contractors overall in the Mt Lyell mine made up 40 per cent of the total underground employees (but these included development miners, stoping miners and truckers, so stoping miners made up a small percentage of the total) and 131 in the North Lyell mine made up 39 per cent of the total underground employees. But after the strike there were only six contractors in Mt Lyell, all engaged on development work (and none in ore-getting) and 76 at North Lyell, comprising 2.5 per cent and 21 per cent respectively of all underground workers.³³

The following figures show the system working at its best. In 1909 in the North Lyell mine, the Miller party of 13 men had been on a series of contracts for two years and five months, during which it broke 24,536 tons of ore for gross earnings of £6,137.18s 6d. The Ellis party of nine men had worked for two-years eight-months, broke 13,724 tons of ore and earned £4,168.7s. Murray concluded in 1909 that contract miners produced 67 per cent more ore per day than wages miners at two-thirds of the cost. The pay-off for the miners was higher pay. The company gave many figures to show how much money contractors were making. Thus in 1911, during a severe shortage of labour, while first class miners on wages were getting 10s.6d a shift, contractors in the North Lyell mine were getting between 14 and 15 shillings and Mt Lyell contractors about 16 shillings a shift.³⁴ By 1917 the company was paying contracting rates sufficient to allow contractors to earn one shilling and six pence per shift more than wage rates, but in a new award, of 1920 it increased this to 25 per cent above wage rates.³⁵ In 1909 at least, Murray was convinced that the contract system was responsible for what he believed were the good relations between miners and management.³⁶

The contract system seemed to work well for the company until 1911, when Murray began to doubt its efficacy. It worked, he observed, when there was a sufficient number of

men to make for reasonable competition for contracts, but when labour was short, it did not.³⁷ The problem was, he said, that

[f]or a long time past, a spirit of almost intolerable independence has been noticeable amongst the men, principally on account of the shortage of labour and they think they have us at their mercy.³⁸

In 1912 Murray also complained:

The tyranny of [the labour shortage] makes it almost impossible for not only do the contractors simply insist on their own prices, but the wages men working in places where contracts are not possible, simply object to doing any work at all because the contractors are making so much more per day than the wages men.³⁹

As we have seen, not all mining work was done on contract. The relationship between wages and contract work was complex and shows that contracting did not necessarily offer the company the greatest level of flexibility. As Murray wrote in 1911, contracting worked well in 'smaller and out of the way stopes', but not in the big open stopes in the Mt Lyell mine where wage miners supervised by a foreman were cheaper and more effective.⁴⁰ After the 1911 strike the company changed the relationship between contractors and wageworkers. Knowing that wages men were easier and cheaper to move around a mine, it made use of the existing pay differentials to choose who worked on what system. Sticht observed in 1913 it was better and cheaper to use 11 shillings per day miners on drilling and shooting and 9 shillings per day miners on spauling than it was to have 11 shillings per day contractors doing both jobs.⁴¹

The choice of contracts or wages had another dimension. When contracts were introduced at the Mt Lyell mine, most of the work was done by machine miners who the company described as 'young men trained on the spot to work the machines and who are anxious to get the extra pay'.⁴² In 1913, the company put a clause in its contracts stating that only a certain number of machine miners from the company's workforce could be employed on contracts, although hand miners, mullockers and machine miners not in the company's employ could be employed. Clearly the company did not want its own machine miners concentrated in too few parties because it feared that the competition for contracts and the number of men available for waged work would be reduced.⁴³

The unions

Miners were represented by one trade union at Mt Lyell (although there were several others on the field, representing other workers) but the union went through four manifestations. The first miners' union, a local branch of the Victorian-based Amalgamated Miners' Association, arrived in 1896. Later, in 1911, it became part of the larger Amalgamated Mining Employees' Association, which in turn became part of the still larger Federated Mining Employees Association, which comprised a number of mining unions across the country.⁴⁴ In 1917 the Australian Workers Union (AWU), on its way to becoming the colossus of rural trade unions in Australia, swallowed up the FMEA and the Mt Lyell miners found themselves members of a union with both a strongly centralised union structure and tremendous national industrial clout.

These unions had many branches, so the Mt Lyell Company miners had to deal with larger union structures and this both enabled and constrained them. The Mt Lyell branch seemed to have a substantial degree of local autonomy from the national body of the first two unions and, to some extent, went its own way on industrial relations with the company. On the other hand, local unionists found that the AWU brooked no independence from its branches. While the AMA was one of the militant 'new unions' in Australia formed in the 1880s, by the early twentieth century it was moderate, constitutionalist, and committed to arbitration as the best means to win advances for its members. In the twentieth century the AWU became well known for its commitment to both arbitration and conservative politics; indeed, in the 1930s it co-operated with the Mt Lyell Company to expel communists from the Mt Lyell fields. This is not to say that there were no radicals or militants at Mt Lyell. The AMA fought militantly to get a toehold there, the IWW had a presence around World War One and for many years around the time of the Mt Lyell disaster of 1912, relationships between the union and company were tense and bitter. The union was no 'patsy' for the company, but Shields' observation, that there was less industrial action among metal mine unions than among the coal miners, certainly applies to the Mt Lyell unions.⁴⁵

In the contest between the company and the mining unions at Mt Lyell the unions were never able to control the distribution of contract work as the coal miners' unions did in NSW. The first union arrived on the Mt Lyell fields a couple of years after the company and had to confront already established ways of working. One example of this was the

outright refusal of the company to countenance the union demand that two miners work a machine rock drill. Not being craft-based, the unions were unable to restrict entry to the occupation of miner by imposing tradesman/apprentice ratios as skilled craft unions did so the mining unions were in a much weaker industrial position. Nevertheless the local unions did try to bend the labour market their way by constantly advertising among mainland branches that the prospect of employment on the fields was dire and by refusing to work with non-unionists.⁴⁶ This was important because the number of skilled miners on the fields affected the extent to which the company could use the contract system. The more miners, the greater the competition for contracts and the lower the prices - the fewer miners, the more power miners had in the system.

Other factors worked in the local unions' favour, including the long-term decline in the mining workforce in Australia and the mobility of working miners. As the local newspaper paper observed in 1912, 'miners, because of the great prosperity of recent years on the mainland, have taken other avocations, many of them being engaged in unskilled labour'.⁴⁷ Mobility seems to have been a part of miners' culture. The company knew that miners would leave Queenstown at the drop of a hat to try their luck in other fields. Broken Hill, South Australia, Cobar in NSW, even far distant Western Australia and New Zealand attracted itinerant miners.⁴⁸ The company lost so many workers to the mainland during the 1911 strike that it took months to make up its workforce and Sticht often bemoaned the many workers who left Queenstown in December for their annual mainland Christmas spree, and did not return.⁴⁹

The local unions took contradictory positions on contracting in the Mt Lyell Company mines. At the more general policy or philosophical level they opposed contracting, taking a philosophical stand against the individualism they believed was inherent in contracting. In this they were no different to the AMA in Broken Hill, who in the 1880s opposed the contract system there and who, in 1892, brought the Broken Hill miners out on strike against the introduction of stope contracting. The issues were the same: the evils of competition; and the belief that contracting would produce lower wages, encourage careless work and cause accidents and industrial disease.⁵⁰ On the other hand, knowing that the union had lost the battle at Broken Hill in 1892, the Mt. Lyell unions never took industrial action against contracting. Instead they seem to have pragmatically

accepted that contracting was to be a part of the armoury of Mt Lyell management and that it was pointless to oppose it.

The unions had definite opinions and policies about contracting. Firstly union policy (and this was for all workplaces the union covered, not just Mt Lyell) was to demand that the company set a contract rate which would allow miners to be paid a specified amount more than the daily wage rate (it began at one shilling and six pence above the rate, but by 1919 the AWU was demanding 33 per cent above).⁵¹ This may have been to give contractors more certainty and regularity in their pay packets. All contractors knew that the weight of the ore they produced and the rewards they got depended on the nature of the ground; some days were good, others weren't. Another reason may have been as a protection against the company letting the work at low prices, insufficient for contractors to make a good living. As we have seen the company would not let contracts at above its price, so this demand would have acted as a form of insurance. Another reason may have been to act as a disincentive to the company to use contracts. It was a common practice among Australian unions to demand high wages for workers they wished to exclude from certain jobs, on the assumption that employers would be unwilling to hire them.

The union also acted on more specific contracting issues. In 1915 and in 1916, when the company refused to offer wage work to contractors who refused the company's price, the FMEA lobbied the company on their behalf.⁵² The issue of the money kept back from contractors for the indemnification of the company always grated. Contractors also wanted to be paid for all the ground broken, not just the ore; they wanted steel to be supplied free, the company to pay contract rates to wages men sent to work with contractors, a tally clerk to check the ore before it left the level; and in regard to payment, they wanted contract parties to be paid at the same place as miners were and a statement setting out the earnings of each party to be posted in the mine.⁵³

Some of the unions' campaigns were an expression of the ambiguous place of contractors in the mine and in the union. A consistent demand put by the unions was for all members of the contract party to be equals. This was an obvious complaint for the unions and seemed to be directed at contractors as much as the company. The company allowed contract parties to employ other miners on wages, thus confusing the question whether such parties were workers or employers. There was also the possibility that contractor's

employees might be forced by the contract parties to work for less money, longer hours or under inferior conditions to ordinary wage miners. This issue came to a head soon after the introduction of contracts in 1906, when contractors refused to join an agitation for increased wages. An exchange at a union meeting illustrated precisely why the AMA wanted equal pay in the contract agreements with the company. When he found that the contractors were standing out against a strike the branch president referred to them as 'the worst sweaters in the country', then, when a contractor interjected that he was paying his miners 11 shillings a day (the going wage was only eight shillings and six pence), the president riposted, 'yes, for 15/- [shillings] worth of work'.⁵⁴ It took until 1920 for the company to agree to the AWU demand that all contractors be equal.⁵⁵

The unions also acted informally amongst contractors to keep the price of contracts up. Murray often referred to what he called the 'well-known union tyranny' that manifested itself when certain contractors took work at a reduced price; they were subject to a 'great deal of abuse and interference'.⁵⁶ In another instance in 1920, contractors resolved to set up a committee to investigate contract rates with a view to finding out those who weren't getting a 'proper wage'. The pay certificates would be posted at the union offices and those found to be working at lower than agreed rates would be called 'scabs' and castigated.⁵⁷

The unions also used contractors in their campaigns against the company. Thus in 1917 the AWU used the contract system as a bargaining chip in its negotiations with the company over a First World War profits bonus; it threatened to stop all contract work if the bonus was not granted. The then superintendent, Basil Sawyer, thought it was a potent threat. He called it 'a lazy strike', a favourite weapon of the IWW, when everybody would slow down till 'production [was] reduced to almost vanishing point'.⁵⁸

The final consistent demand of the unions was that contractors, as union members, should abide by union rules, industrial agreements and the conditions of work that the union demanded for all miners. This was precisely the issue in the 1911 strike, but it was also an expression of their belief that, despite the apparent individualism in contracting, mining contractors should be loyal members of the miner's collective body, their union.

The contractors

There was never a union ballot about contract work at Mt Lyell as there was in Broken Hill in 1917, when 665 miners voted to abolish the contract system but another 685 voted to

retain it.⁵⁹ However contracting was popular amongst Mt Lyell ore getters. It offered them the prospect of higher wages (sometimes very high wages) and a measure of independence and the best miners went onto contract for these reasons. Miners weighed the benefits very carefully before they undertook to submit a tender. They had to know the ground they were bidding for and the prospects of making good wages. Those with the tender closest to the company's estimate of the value of a piece of work, won the work, if the company wanted to give it to them. And, unless they had collectively decided in advance what price to offer the company, contractors competed with each other. It was the pull of competition versus the collective interest that made contracting such a difficult issue for miners.

There were status differences between contractors. Those on development work considered themselves superior to stoping miners, they would, as Sticht said, 'never take on stoping. They are specialists in their class of work'.⁶⁰ There were also status differences between contract and wage miners. The 'really competent men' as Murray called them in 1911 took the contract work, leaving the less skilled or the newer miners to do the wages work.⁶¹ And this created tensions. Sticht observed during one industrial dispute in 1920, that wage miners would never help contractors 'as they are always jealous of them'.⁶²

Structural matters also divided them. One example is that the contractors always tried to keep up the pay relativities between themselves and wage miners by demanding a higher rate than the wage rate. Thus in 1920 a wage rise for wage miners was not followed by a rise in contractors rates and they complained.⁶³ Also, as we have seen, the fact that contractors employed other miners on wages caused conflicts. There was another side to this issue however. If the company imposed a wages miner on a contract party the contractors, who had to pay his wages anyway, would usually increase his pay to the level of the other contractors.⁶⁴ Again, as was the case in the 1911 strike, contractors could earn higher wages by working longer hours than union rulings; yet contract and wage miners were invariably members of the miners' unions, so union membership and successful wages campaigns provided equal benefits to both and required equal loyalty from both.

The contractors' main enemy was the company. Contractors' interests were in getting as high a price for their work as possible, the company's interests were in keeping prices low. Contractors were at their strongest when skilled miners were in short supply and when the company had committed itself to contract work. The year 1911 provides a good

example. In that year Murray complained constantly that contractors were taking advantage of shortages of miners, exhibiting an ‘independent and overbearing spirit --- due to the knowledge of the circumstances and of the fact that only in extreme cases can we afford to dismiss them’. Contractors attempted to ‘dictate their own terms’ for contracts, then when the company as a consequence put them on wages they worked so slowly that the company was forced to re-offer them contracts.⁶⁵ The company called this ‘a ring’, a ‘conspiracy’ amongst contractors to keep contract wages high. Such a ring may have existed for the very good reason that it was good tactics for potential contractors to form one.⁶⁶ Contractors also made use of their knowledge of the ore bodies when deciding whether to submit tenders, preferring to work on overhead stopes rather than ground floor stopes, the productivity of which was greater and the work easier.⁶⁷

Sometimes contractors took industrial action on their own account. In 1920, for example, 120 contractors stopped work demanding a two shillings and six pence bonus on top of their contract rates. They didn’t get the increase, but Sticht, ever the crafty negotiator, knew they were acting independently of the AWU hierarchy and asked the Melbourne office to write to the AWU Secretary to inform him.⁶⁸ And sometimes age-old work practices surfaced. As Murray observed in 1913, ‘when earnings are too high the attendance is bad, and it is better to have the men work six days in the week rather than have them work only four or five’.⁶⁹ One day in 1920, only four of twenty-six contractors at North Lyell turned up for the Saturday afternoon shift. Sticht was bemused.

The cause may have been some reason like a sweep on the Caulfield Cup, but it may also have something to do with preliminary manoeuvres towards a forty-hour week. The earnings of the men are now so high that they may think they can afford to say to themselves that they will follow the example of Broken Hill and cut out Saturday’.⁷⁰

Clearly the contractors thought they had earned enough during the week to allow them a longer weekend and by 1920 transport to and from Mt Lyell had improved to the point where it was possible to turn a weekend at Gormanston into a weekend away.

Weighing up the contract system

Several things are clear from this analysis of contracting at Mt Lyell. The first was that contracting work was important to the company. It introduced the system probably with the

twin aims of improving productivity and allowing miners to earn more wages in the context of the amalgamation of the North Lyell and Mt Lyell mines. Later, this rationale may have changed; contracting became a way of enticing skilled miners to Mt Lyell and keeping them there. It is clear that, although the company benefited from the higher productivity of its contractors, it was never totally committed to the system, rather it mixed contracting with wage work judiciously, with the underlying principles being productive benefits and control and supervision of its workers. Its contracts allowed contractors to receive higher wages but at the same time the company maintained a rigid control over the ways the contracts worked. The company always held the whip hand.

The company invested heavily in the apparent desire for independence, autonomy and high wages of its contractors and gave them considerable freedom in the way they did their work. Nevertheless, despite what might appear to be a confluence of interests between contractors and company manifest in some long and successful contracts, contracting became an industrial issue. From the beginning the company was forced to consider both contractors and unions when introducing and managing contracting. Contractors' interests were in keeping contract rates up, reducing the company's control over the terms of the contract and reducing the intensity of the work for more pleasurable leisure time. Although the miners' unions were in principle opposed to contracting, for pragmatic reasons they never banned or struck over its use, because it was a popular way of working for skilled miners and because skilled miners made up a proportion of union members.

The unions were ambivalent about the more practical aspects of contracting. On the one hand they turned contractors' discontent into union issues. On the other they had to deal with the division between contract and waged miners and the industrial consequences of a divided workforce, and this presented them with difficult dilemmas because contractors' culture was often different to the work culture of ordinary wage miners.

Seen in terms of debates about the labour process in Australian mines, contracting at Mt Lyell was one of a battery of management strategies designed to solve its labour supply problems, increase output, control and divide its workforce and its implementation was dependent on a wide range of technical, geological and industrial factors. To miners it offered autonomy, independence and the opportunity to earn more wages; it was not for nothing that the company used it most in isolated stopes where supervision would have

been difficult. But contracting was a potent source of conflict. It created tensions with and within the miners' unions and with the contractors themselves, whose culture often contradicted and conflicted with the Mt Lyell Company's policies. In terms of the labour process literature, while contracting at Mt Lyell represented a management strategy that resulted in the 'responsible autonomy' of its contractors, contracting quickly became, and remained, contested terrain.

Endnotes

- ¹ The story of the strike is told in Geoffrey Blainey, *The Peaks of Lyell*, MUP, Melbourne, 1967, pp. 206-211.
- ² J. Hagan and C. Fisher, 'Piece-work and some of its consequences in the printing and coal-mining industries in Australia, 1850-1930', *Labour History*, 25, November 1973.
- ³ There is an excellent summary of Cornish mining practices in L. Lankton, *Cradle to Grave: life, work and death at the Lake Superior Copper Mines*, Oxford UP, New York, 1991, pp. 62-5. See also D.B. Barton (ed), *Essays in Cornish Mining History*, Truro, Barton, 1968, vols. 1 and 2 and L. Leifchild, *Cornwall: its mines and miners*, Cass, London, 1968. Although much writing about the contract system suggests that it is a manifestation of Cornish individualism, there are others who point to several sources of Cornish collectivism. See Mel Davies, 'Cornish miners and class relations in Early colonial South Australia: the Burra Burra strikes of 1848-49', *Australian Historical Studies*, no. 105, 1995, p. 570, footnote 10.
- ⁴ See Langkton, *Cradle to Grave*, ch. 4.
- ⁵ Mandie Robinson, *Cap'n 'Ancock: Ruler of Australia's Little Cornwall*, Rigby, Adelaide, 1978, pp. 112, 127-8 and 138. See also Ian Auhl, *The Story of the Monster Mine: the Burra Burra mine and its townships, 1845-1877*, Investigator Press, Adelaide, 1986, and Oswald Pryor, *Australia's Little Cornwall*, Rigby, Adelaide, 1962, esp. pp. 52-58.
- ⁶ Pryor, *Australia's Little Cornwall*, pp. 52-58.
- ⁷ Davies, 'Cornish miners and class relations', p. 593.
- ⁸ Geoffrey Blainey, *The Rush that Never Ended: A History of Australian Mining*, Melbourne UP, Melbourne, 1974, pp. 122-4 and 300-303.
- ⁹ Geoffrey Blainey, *The Golden Mile*, Allen and Unwin, St Leonards, 1993, pp. 122-3.
- ¹⁰ Patrick Bertola, 'Depression and surviving: Gold Mining at Kalgoorlie from World War one to 1931', *Journal of Australasian Mining History*, vol. 1, no. 1, p. 12.
- ¹¹ Patrick Bertola, 'Tributers and Gold-Mining in Boulder, 1918-1934', *Labour History*, no. 65, November 1993, pp. 54-5.
- ¹² Brian Kennedy, *Silver, Sin and Sixpenny Ale: A social history of Broken Hill, 1883-1921*, MUP, Melbourne, 1978, ch. 5. G. Dale, *The Industrial History of Broken Hill*, Fraser and Jenkinson, Melbourne, 1918, chs 7-8.
- ¹³ H. Braverman, *Labor and Monopoly Capital: The Degredation of Work in the Twentieth Century*, Monthly Review Press, New York, 1974.
- ¹⁴ R. Edwards, *Contested Terrain: The Transformation of the Workplace in the Twentieth Century*, Basic Books, New York, 1979.
- ¹⁵ M. Burawoy, *Manufacturing Consent: Changes in the Labor Process under Monopoly Capitalism*, University of Chicago Press, Chicago, 1979. See also P. Doeringer and M. Piore, *Internal Labor Markets and Manpower Analysis*, D.C. Heath, Lexington, 1971.
- ¹⁶ Kosmas Tsokhas, *Beyond Dependence: Companies, Labour Processes and Australian Mining*, Oxford UP, Melbourne, 1986, pp. 143-7, 195-9.
- ¹⁷ C. Fox, 'Through Engineers Eyes: courage safety and the Mt Lyell disasters of 1912', *Tasmanian Historical Research Association, Papers and Proceedings*, vol. 344, no. 2, 1997.

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- ¹⁸ Charlie Fox, 'Work and Welfare at Mt Lyell, 1913-1923', *Journal of Australasian Mining History*, vol. 1, no. 1, 2003, pp. 55-56.
- ¹⁹ Langkton, *Cradle to Grave*, p. 65.
- ²⁰ Mt Lyell Mining and Railway Company Contract for Drives, Crosscuts, Winzes and Rises, Murray to Sticht, 8 March 1909, General Manager's Correspondence (GMC) January 08-June 09, Mt Lyell collection, Melbourne University Archives (MUA).
- ²¹ Murray to Sticht, 31 March 1913, NS 726/5, Mt Lyell collection, Tasmanian Archives (TA).
- ²² *Ibid.*
- ²³ Blainey, *Peaks of Lyell*, p. 202.
- ²⁴ Sticht to Secretary, 26 October 1906, in GMC, Jan.06-Dec. 07, Mt Lyell company correspondence, MUA.
- ²⁵ Bachelor to Sticht, 24 August in file no NS 726/5, Mt Lyell collection, TA.
- ²⁶ Murray to Sticht, 31 March 1913, NS 726/5, Mt Lyell collection, TA. This is then extra pay paid to miners as opposed to truckers and the like.
- ²⁷ The Mount Lyell Mining and Railway Company Ltd, Mining Department, contract, in GMC letters, January 1908-June 1909, Mt Lyell collection, MUA.
- ²⁸ Murray to Sticht, 22 February 1909, GM letterbook, January 08-June 09, GMC, MUA.
- ²⁹ Murray to Sticht, 22 February 1909, GMC, Jan. 1908-June 1909, Mt Lyell collection, MUA.
- ³⁰ *Zeehan and Dundas Herald*, 5 August 1914.
- ³¹ Sticht to Secretary, 20 January 1920, GMC 5/1/7-84, Mt Lyell collection, MUA.
- ³² *Ibid.*, 31 August 1920.
- ³³ Murray to Sticht, 31 March 1913, in NS 726/5 Mt Lyell collection TA.
- ³⁴ Murray to Sticht, 13 March 1911, SECs correspondence, Box 73, Mine 1911, Mt Lyell collection, MUA.
- ³⁵ Sticht to Secretary 20 January 1920, GMC 5/1/17-84, Mt Lyell collection, MUA.
- ³⁶ Murray to Sticht, 22 February 1909, GMC January 08-June 09 Mt Lyell collection MUA.
- ³⁷ Murray to Sticht, 12 January 1912, NS 726/7, Mt Lyell Collection TA.
- ³⁸ Murray to Sticht, 5 May 1911, Secretary's correspondence, box 73, Mine 1911, in GMC, Mt Lyell collection, MUA; Murray to Sticht, 13 March, 1911, GMC box 73, Mine 1911, Mt Lyell collection, MUA.
- ³⁹ Murray to Sticht, 12 November 1912, NS 726/7, Mt Lyell collection, TA.
- ⁴⁰ *Ibid.*, 12 January 1912.
- ⁴¹ Sticht to Secretary, 11 March 1913, GMC, Mt Lyell collection, MUA.
- ⁴² Murray to Sticht, 31 March 1913, NS 726/5, Mt Lyell collection, TA.
- ⁴³ Murray to Sticht, 9 September 1913, GMC 5/1/14, Mt Lyell collection, MUA.
- ⁴⁴ *Zeehan and Dundas Herald*, 22 August 1911.
- ⁴⁵ J. Shields, ' "Lead bonus happy": profit sharing, productivity and industrial relations in the Broken Hill mining industry 1925-1983', *Australian Economic History Review*, vol. 37, no. 3, 1997, p. 246.
- ⁴⁶ See for example, *Zeehan and Dundas Herald*, 23 August 1904, Sticht to Secretary, 29 March 1912, quoting the AMEA Secretary at Gormanston, GMC, 5/1/3, vol. 45, MUA.
- ⁴⁷ *Zeehan and Dundas Herald*, 17 May 1912.
- ⁴⁸ See for example *ibid.*, 8 January 1912.
- ⁴⁹ See for example, Murray to Sticht, 26 January 1912, N/S 726/5, Mt Lyell collection, TA, for the slow return to work after the strike.
- ⁵⁰ Kennedy, *Silver, Sin and Sixpenny Ale*, pp. 32 and 66-72.
- ⁵¹ *Daily Telegraph*, 7 April 1919.
- ⁵² *Zeehan and Dundas Herald*, 5 August 1915. FMEA to R. Sticht, General Manager, Mt Lyell Mining and Railway Company, 18 February 1916 in GMC 22/2/1916, Mt Lyell collection, MUA.
- ⁵³ M. Cunningham, State Secretary, Tasmanian Executive Council, Federated Mining Employees Association of Australia, to Sticht, 18 February 1916, in Sticht to Secretary, 22 February 1916, GMC, 5/1/8, MUA.
- ⁵⁴ Sticht to Secretary, 21 December 1906, GMC letters, January 06-December 1907, Mt Lyell collection, MUA.
- ⁵⁵ *Zeehan and Dundas Herald*, 5 February 1920.
- ⁵⁶ Murray to Sticht, 29 August 1911, in Secretary's correspondence, Box 73, Mine Mt Lyell collection, MUA.
- ⁵⁷ Sticht to Secretary, GMC 5/1/17/87, Mt Lyell collection, MUA. See also *World*, 27 November 1920.
- ⁵⁸ Sawyer to Secretary, 17 April 1917, in GMC 5/1/11, Mt Lyell collection, MUA.
- ⁵⁹ *Zeehan and Dundas Herald*, 19 March 1917.
- ⁶⁰ Sticht to Secretary, 16 May 1916, GMC, 5/1/8, Mt Lyell collection, MUA.

⁶¹ Murray to Sticht, 29 August 1911, in Secretary's correspondence, Box 73, Mine Mt Lyell collection, MUA.

⁶² Sticht to Secretary, 23 November 1920, GMC, 5/1/17/87, Mt Lyell collection, MUA.

⁶³ *Launceston Examiner*, 26 October 1920.

⁶⁴ Sticht to Secretary, 29 September 1916, GMC, 5/1/8, Mt Lyell Collection, MUA.

⁶⁵ Murray to Sticht, 29 August 1911, in Secretary's correspondence, Box 73, Mine Mt Lyell collection, MUA.

⁶⁶ See for example, Sticht to Secretary, 11 March 1913, in GMC 5/1/4, MT Lyell correspondence, MUA.

⁶⁷ Sticht to Secretary, 10 December 1920, GNC, 5/1/17-87, Mt Lyell collection, MUA.

⁶⁸ Sticht to Secretary, 23 November 1920, GMC, Mt Lyell Collection, MUA. For more details on the dispute see *The World*, 23 November and 27 November 1920.

⁶⁹ Sticht to Secretary, 11 March 1913, GMC5/1/4, Mt Lyell collection, MUA.

⁷⁰ *Ibid.*, 19 October 192. The Caulfield Cup is Australia's second premier horse race. See also Bowes Kelly in *Zeehan and Dundas Herald*, 14 December 1920.