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THE GENERAL MOTORS-HOLDEN'S DISPUTE¹

M. P. MCCARNEY

Vehicle Builders Employees' Federation

IN November 1963 the Federal Secretary of the Vehicle Builders Employees' Union wrote to General Motors-Holden's Pty. Ltd. requesting an increase in wages and drawing attention to unrest in its plant in Melbourne. On 1st June, 1964, the Company notified its employees of increases granted in the Service Loading Payments. The increase was from eight hours to nine hours pay to five-year-and-over employees, four hours to four and a half hours to new employees, and pro-rata for those in between. The increases were to coincide with the Basic Wage decision.

In July a resolution was carried by members working in the foundry calling on the Union to examine their wage structure in comparison with other foundries and seeking to be paid an inducement wage of £3 per week. This was endorsed by the Victorian Branch and referred to the Federal Office. The Federal Executive requested further information from the Victorian Branch. In August a further report from the Victorian officials advised that there was grave discontent among all employees and that the claim for £3 had now been extended to all employees. On Thursday, 20th August, the Union claim was made on the Company for increased wages for foundry workers. On Tuesday, 25th August, meal break meetings were held at 12 noon, 1 p.m., 7.30 p.m. and 8.30 p.m.

On Friday, 28th August, the Company replied as follows:—

"As you will have seen, the Company has given careful and detailed consideration to all the matters you put forward in your 'Summary' of the claim for a further £3 p.w. and made on behalf of your members employed here at Fishermen's Bend. In the light of—(a) the present over-award payments being made; (b) the extensive improvements soon to be expected in regard to foundry conditions; and (c) the fact that the other grounds put forward in support of your claim should, in view of their application to industry, in general, be properly dealt with by the Conciliation and Arbitration Commission, the Company can find no substantial or sound reason as to why this claim should be granted."

On Friday, 11th September, the Union again met the Company and pressed the claims on behalf of the men. On Thursday, 17th September, the Company met V.B.E.F. officials and again rejected the claim. On Friday, 18th September, a meeting of foundry workers took place commencing at 12.10 p.m. No member on day shift resumed work after the meeting. Only 41 members offered for work on the afternoon shift out of 291. At the meeting the following resolution was carried:—

"(1) That a ban on overtime in the foundry be imposed; (2) That an attempt be made to arrange a meeting of all Unions on Friday, 25th September, at 2 p.m.; (3) That V.B.E.F. members employed on afternoon shift in the foundry hold a meeting before starting work."

On Monday, 21st September, foundry workers resumed normal duties.

On Friday, 25th September, a meeting of all members of the V.B.E.F. employed at Fishermen's Bend was held to hear a report on the £3 claim. Also in attendance were members of the Amalgamated Engineering Union, the Electrical Trades Union, and some Australasian Society of Engineers

members. During the meeting a deputation of Union officials conferred with the Company's representative on the claim. Discussions proved unsuccessful and members of all Unions went home.

On Monday, 28th September, a meeting was held in Festival Hall. Normal work was resumed as from the afternoon shift because the Company had sent a letter dated 26th September:—

"The Management of G.M.-H. has given consideration to your request that subject to a resumption of work under normal conditions before Tuesday a Meeting be arranged on that day for the purpose of discussion of the £3 p.w. claim on behalf of all Employees who are members of the Unions who have lodged such claim, and that the Company be prepared to carry out the negotiations with a view to reaching a decision immediately or alternatively within a day or two of the Meeting. Management believes that such a Meeting would be an opportunity to acquaint the Officials of all Unions now involved with reasons given by the V.B.E.F. at earlier discussions for refusing the claim.

"Therefore, Management's reply to your proposals is that, providing there is a full resumption of work under normal conditions by Tuesday, 29th September, its representatives are prepared to meet Officials of the Unions concerned on that same day to hear what they wish to say in support of the earlier claim for an extra £3 p.w. for their members."

The following resolution was carried unanimously at a mass meeting at Festival Hall:—

"Recommend that a normal resumption of work as from the afternoon shift take place today to allow the negotiations on the £3 p.w. claim to proceed with a view to obtaining a satisfactory answer by Friday of this week.

"Further, we agree to meet at the Fishermen's Bend plant Friday the 2nd October at lunch time meetings to receive a report of the Company's reply. In the event of the reply being unacceptable or unsatisfactory these meetings shall then decide on further action."

On 29th September Company representatives and Union officials again conferred on claims; once more, discussions proved unsuccessful.

On 1st October the Melbourne Trades Hall Council Disputes Committee was called together at 4 p.m. The following resolution was carried:—

"This meeting of the Disputes Committee determines that in view of the G.M.-H. attitude at the recent negotiations re the claim for an additional £3 p.w. increase in wages for all purposes of the Award, a mass meeting of all G.M.-H. employees be held at the Festival Hall at 9 a.m. Monday, 5th October, and that the Fishermen's Bend plant employees cease work as from 12 noon Friday, 2nd October, and that the T.H.C. officers attempt to reopen negotiations."

On 2nd October, a mass meeting of Dandenong workers decided to join Fishermen's Bend employees in their claim. On 5th October, a mass meeting of all G.M.-H. employees held at the Festival Hall carried the following resolution:—

"This meeting of G.M.-H. employees calls on the Trades Hall Council Disputes Committee to demand that the management of G.M.-H. negotiate immediately an unconditional increase in the wage rates of all G.M.-H. employees, and in view of the management's refusal to negotiate this demand with officers of the Melbourne Trades Hall Council, this meeting call upon the Disputes Committee to decide we remain on strike until our demands are met."

On 5th October the Federal Executive Committee of the Vehicle Builders Employees' Federation of Australia decided to refer the dispute to the A.C.T.U. because 1,000 employees, mainly members of the V.B.E.F. at Woodville and Elizabeth in South Australia, had received stand-down notices effective immediately.

An order made under Section 109 of the Commonwealth Conciliation and Arbitration Act on 7th October, 1964, covered all plants for a period of twelve months with leave to apply after six months.

On 8th October the first meeting called by the A.C.T.U. was held. A

claim for £3 p.w. increase for all purposes of the Award was endorsed. President Monk said that the Company had indicated that while they would meet the Unions at 2.30 p.m. they would not grant general wage increases, but that on resumption of work they would discuss wage rates for foundry workers. Meetings were to be held in all States to give reports. On Monday, 12th October, reports were given to three lunch time meetings at Pagewood. The majority of V.B.E.F. members at Pagewood were stood down. On Tuesday, 13th October, a meeting held at Festival Hall supported continuing the strike. An Adelaide mass meeting of all employees decided to cease work.

On 16th October the Commonwealth Arbitration Court found five unions guilty of Contempt of the Order made on the 7th October, 1964. On 9th October five summonses were issued. The unions were fined £500 on each Summons with Taxed Costs.

On 19th October consideration was given to a statement submitted by President Monk which he had received from G.M.-H.:—

“a. RESUMPTION OF WORK ON WEDNESDAY, OCTOBER 21.

1. It is understood that a decision is to be made by the A.C.T.U. Negotiations Committee on Monday, 19th October, and that G.M.-H. would be advised immediately. This advice is required so that the necessary arrangements can be made to adjourn contempt proceedings scheduled for Tuesday in Adelaide, and to allow for some work to be done in preparation for starting up certain plants.
2. It is understood that resumption would apply to all Unions at all plants except Pagewood where resumption would not be possible before Monday, 26th, due to shortage of material.
3. It is clearly understood that resumption would be on the basis of normal work without restrictions or limitations.

“b. Immediately after resumption of work as covered in (a), the Company will undertake to review any wage rate anomalies of employees in the foundry and fettling shops. In this review, consideration would be given to working conditions and we are also prepared to give careful regard to comparisons of wage rates applying in other similar foundries and fettling shops

1. Under no circumstances should it be interpreted that any general increases would result in the foundry.

“c. 1. The Company is also prepared to hear from Union representatives of any anomalies in regard to the administration and provisions of its over-award payment plans and to conduct investigations where required. Such discussions as may follow on this subject to be within the general scope and purpose of the plans as constituted. *It is understood that no increase in payments would be contemplated.*

2. In this regard, if the Unions can prove to us that our overall ‘over-award’ payment plans are, in fact, less remunerative than those of our major competitors in this industry or major employers in similar industry, then we are prepared to closely study any such comparisons with a view to making appropriate adjustments if substantiated.

“d. Unions to apply for adjournment of contempt proceedings in Adelaide scheduled for Tuesday, 20th October, which the Company will not oppose subject to agreement of (a), (b), (c).

GENERAL.

- (1) Any press statement to be agreed to by both parties and to be released at a mutually satisfactory time and date.”

This was rejected.

In Adelaide on 20th October a further ten summonses for Contempt of Court by five unions in respect of 12th and 13th October at Fishermen's Bend and Dandenong plants were issued. The five unions were fined £500 on each charge with Taxed Costs. In Adelaide on 20th October a further four summonses for Contempt of Court by four unions in respect of 13th

October at Woodville, Elizabeth and Birkenhead plants were issued. The four unions were fined £500 on each charge with Taxed Costs.

On Saturday, 24th October, at 10.30 a.m. President Monk reported to a meeting of unions of further discussions with the Managing Director of G.M.-H., Mr. Hegland:—

“Terms for the resumption of work, agreed between Mr. D. Hegland, Managing Director of General Motors-Holdens, and Mr. A. E. Monk, President, A.C.T.U., which Mr. Monk will put to the A.C.T.U. Disputes Committee.

1. Resumption of work on Tuesday, 27th October.

It is understood that:—

- (a) The A.C.T.U. Disputes Committee will meet over the coming weekend and that there will be mass meetings on Monday morning.
 - (b) G.M.-H. will be advised of the decision of the Disputes Committee without delay in order to enable the Company to take preparatory steps to start all its plants to permit resumption of work on Tuesday.
 - (c) The resumption will apply to all Unions at all plants except Sydney, where resumption may not be possible before next Thursday, due to shortage of materials. Resumption will be on the basis of normal work without restrictions or limitations.
2. Immediately after resumption of work, the Company will be prepared:
 - (a) To discuss with the Unions the matter of wage rates of employees in the foundry and fettling shops.
 - (b) To consider any proposals the Unions may make regarding the Company's over-award payment plan.
 It must not be implied that (a) and (b) will involve general wage increases to all of the Company's employees.
 3. On the basis of resumption of work on Tuesday, the Company will not take, in respect of stoppages up to that date, any further proceedings under Section 111.”

The following motion was then moved:—

“This meeting of the Disputes Committee having heard the report of the terms of resumption of work agreed between Mr. Hegland, Managing Director of G.M.-H., and A. E. Monk, President of the A.C.T.U., believe that the terms submitted are an improvement on the previous terms submitted on Monday, 19th October, 1964. It is obvious that we cannot commence discussions of details of the terms whilst the workers remain on strike. The terms permit discussions on over-award payments without the Unions being limited to showing anomalies as was the case in the previous offer. G.M.-H. have moved from their previous attitude that no increase in payments would be contemplated. Accordingly we determine that the terms of resumption of work be adopted to permit negotiations to commence forthwith.”

The motion was declared lost.

A resumed meeting held at 8 p.m. decided that the A.C.T.U. officers and Executive members should discuss the dispute with G.M.-H. on Sunday, 24th October, 1964. At this meeting Mr. D. Hegland said that the Company had had misunderstood the last document issued and that the Company had not altered its attitude since the commencement of the dispute, i.e., they were prepared to review the foundry and fettling shops but would grant no general increase to all, and would discuss the question of over-award payments but made no promise of agreement.

On Tuesday, 27th October, a meeting of the unions decided to recommend resumption of work on the following basis:—

- “1. That immediate negotiations take place for wage increases in the foundry and fettling shops based on the work in those sections.
- “2. The Negotiating Committee confer with G.M.-H. for an improvement in the service loading plan.
- “3. An immediate claim to be lodged with the Commonwealth Conciliation and Arbitration Commission for an Industry Allowance of £3 p.w. for all workers employed by G.M.-H.

"4. No break in continuity for all leave or payments and no victimization.

"A Secret Ballot to be held in each State of workers involved in the dispute to accept or reject these proposals."

A decision was made to accept and the men resumed work.

The following joint statement was made by G.M.-H. and the A.C.T.U. on 24th November, 1964:—

"The first term of resumption of work in the G.M.-H. dispute related to the wages of employees in the foundry and fettling shops. Several discussions have taken place between the representatives of G.M.-H., the A.C.T.U. and union representatives. These have resulted in 599 employees receiving increases in wages varying from 10/-, 20/-, 30/- p.w., which are to have application for all purposes of the Award, i.e., overtime, shift premium, sick leave, and also the Company's service loading payments plan. Where increased rates of pay have been agreed to by the Company, the employees concerned will be notified in writing tomorrow, Wednesday. The increased rates will operate as from 2nd November, and payable on 3rd December. G.M.-H., the A.C.T.U. and the unions' Negotiating Committee will commence discussions on the second term of resumption of work, relating to the Company's service loading payments plan, on Wednesday, 2nd December, 1964

"Conjointly with the distribution of written advice of wage increases to those employees in the foundry who will participate, the Supervision in charge of employees who do not receive an increase will advise them personally as follows:—

"The job you are doing does not carry any wage increase under the terms of settlement. However, there are some vacancies on those jobs which do carry an increase. If you want the opportunity of transferring to one of those vacancies, either in the melt area, the mould line or the fettling shop, and thus enable you to obtain the increase that goes with the particular job, then, provided you are suitable for the work involved, a transfer can be arranged. Would you please let me know within three days if you want to do this."

"If in the event that the man does not want to transfer within the foundry then, at the time of refusal, he can be advised as follows:—

"There are also some vacancies in the machine shop and providing you are suitable for the work which will be shown to you, we can arrange a transfer. However, depending on the numbers seeking a transfer in relation to the particular vacancy, there could be some delay in getting a suitable one for you, but we assure you every effort will be made to keep this period to a minimum."

A conference held between G.M.-H. and the A.C.T.U. on the service loading plan was abortive. A claim had been lodged in the Commonwealth Conciliation and Arbitration Commission for an Industry Allowance of £3 p.w. for all workers. There was agreement on the question of continuity.

The number of members of V.B.E.F. involved were:—On strike: Victoria 5,870, South Australia 6,774; total 12,644. Stood down: New South Wales 1,529, Queensland 276; total 1,805. Total involvement of the V.B.E.F. was 14,449. A stand-down took place in Western Australia. The V.B.E.F. gave £25,000 to the strike fund, £10,000 was given by both South Australia and Victoria, £5,000 was given by New South Wales. Other unions paid their financial members in accordance with their respective policies and unfinancial members were paid out of the strike fund the same amount as paid by the V.B.E.F. Payments were made in all States whether on strike or stood down. Fines were imposed as follows:—V.B.E.F., A.S.E., A.E.U., and E.T.U., £2,000 each; Sheet Metal Workers' Union, £1,500. All plus costs. Up to 26th October when a recommendation was made to resume work, the unions were liable for a further £9,000 for the V.B.E.F., A.S.E., A.E.U., and E.T.U., and £4,500 for the S.M.W.U., a total of £40,500 plus costs.

An examination of this dispute taken after the return to work and settlement of some portions of the dispute leave me with the following impressions:—

(a) New Australians. Whilst the work force is made up of many nationalities, the two strongest national groups within the Company are Italians and Greeks. With both of these groups there is an inability of the trade union movement when an industrial dispute is pending, or in fact in operation, to communicate. Too much dependence is placed upon interpreters who do not necessarily understand some of the tactics involved in an industrial dispute. In this particular instance in the foundry, too high a percentage of Greeks were employed and in addition had language difficulties. Perhaps the strongest influence upon national groups are the clubs of which they are members. This again, because of their numbers only, is felt more strongly through the Greeks.

(b) The issue capable of being exploited affected the control of the dispute. General Motors-Holden's is an American company. It is the financial success story of the post-war period. It had bought out the Australian shareholders and failed to publish balance sheets in the early part of the complete control by Americans. It has made the biggest profits in the history of Australia. Hence the claim was for wage increases, notwithstanding the present over-award payment, the possibility as the dispute continued of the issues being diverted from a question of wages to one of the penal power of the Conciliation and Arbitration Act, or the fact that the strike originated from within what is a so-called moderate union.

(c) In this dispute General Motors-Holden's were represented finally by Mr. D. Hegland, Managing Director, Mr. W. Gibb, Manufacturing Director, and Mr. S. McManamy, Industrial Department, and as the story was unfolded it must have been obvious that on the Company side they had no officers with practical experience in the settlement of industrial disputes. There has been only two previous disputes since the war, one in South Australia in the mid-forties and a morning tea dispute in New South Wales in November, 1962. Most of the statements issued by the Company and later by the Company and the A.C.T.U., and the printed statements, although written differently, did not depart from the original answer.

(d) Provocative statements issued by the leaders of the Federal Government in Parliament further aggravated the dispute.

FOOTNOTE

1. A paper given to the Seventh Annual Convention of the Industrial Relations Society, Terrigal, on 8th May, 1965.

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THE ECONOMIC RECORD

Articles
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