

# Competition, conflict, and cooperation: an ethnographic analysis of an Australian forest industry dispute

David Jonathon Raftery B.A. (Hons)

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### **ABSTRACT**

This dissertation is an anthropological analysis of an industrial dispute that occurred within the East Gippsland forest industry. The dissertation brings an ethnographic focus to local political developments that took place in 1997 and early 1998. From this analysis, it emerges that the aforementioned dispute was not an anomaly or an aberration but the result of prevailing class relationships.

My research found these class relationships to have been generated by changes to the international division of labour within the pulp and paper industries over the last forty years. The effect of these international-level changes has been to tether hinterlands like East Gippsland ever more tightly to supra-local economic and political imperatives. Principally, these imperatives have been the international woodchip trade and the burgeoning political influence of the environmental lobby. In recent decades, the movements of capital have become increasingly elusive and the political potency of environmentalism ever stronger. East Gippsland is a region through which the interests of both the timber industries and environmental groups are keenly pursued. The residents of East Gippsland have found themselves vulnerable to these contingencies repeatedly.

Beneath these national and international economic and political machinations, at the base of the forest industry, are the loggers and carters who inspired this dissertation. This sector is continually subject to the downward pressure of capitalist woodchipping interests, government regulation and environmental activism, and the sawmillers who are the immediate employers of loggers and carters. My dissertation is an analysis of how these workers strove to achieve better working conditions for themselves, and to share in the wealth that they created. In doing so, a distinctive regional class interest was exercised to achieve significant political results.

ii

**DECLARATION** 

This work contains no material which has been accepted for the award of any other

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my knowledge and belief, contains no material previously published or written by

another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library,

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But the principal thanks must go to residents of Orbost, and elsewhere, who inspired this dissertation. I was very fortunate in that I was embraced indiscriminately by many Orbost people. I am particularly humbled by the generosity, humour and patience of the loggers, carters and others who took especial interest in my research and went out of their way to assist my endeavours.

Finally, I would like to dedicate this dissertation to the late Mr Doug Begley. Doug was a log carter in East Gippsland for many years and an important advocate for a better deal for those who 'worked the bush.' Unfortunately, Doug passed away late in 1997, just before the 'better deal' negotiated by loggers and carters could be enjoyed. I thank Doug for his encouragement, especially early in my field research.

### CHAPTER ONE

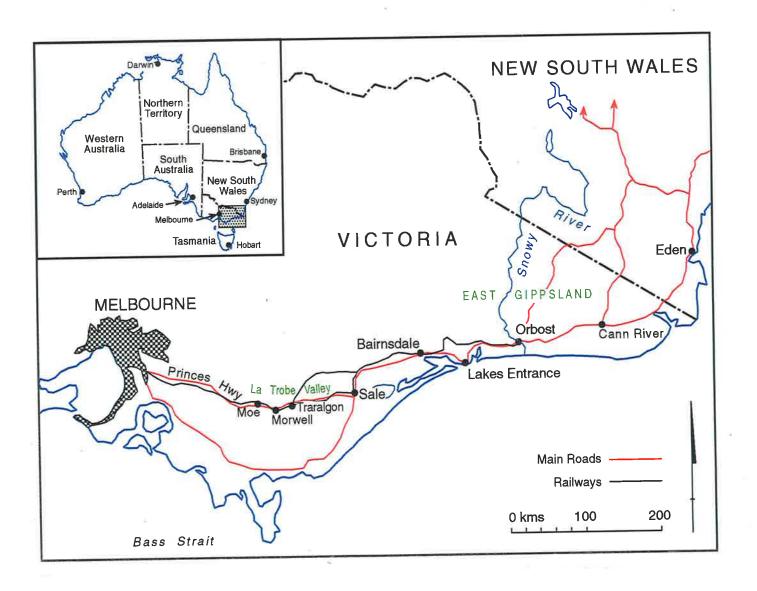
INTRODUCTION: TRACKING THE ROOTS OF A LOCAL DISPUTE

Annually, for three weeks over the Christmas and New Year period, forestry operations in East Gippsland State forests cease. During this period no logging or cartage of log timber from the native forests of the East Gippsland Forest Management Area (EGFMA) takes place. This period is generally a time in which logging contractors and log carters enjoy a rest from work and spend recreational time with their families and friends. Such recreational time is something that is routinely denied by the rigours of the logging business during the rest of the year.

After this break, these logging contractors and log carters, all of whom operate small family businesses, return to work in the forest coupes from which they earn their livelihood. Despite the pleasures afforded by holidays, the return to work is invariably welcomed by logging businesses. The long daylight hours of summer allow the maximum amount of work to take place, which means that contractors and carters can 'make good money' by 'moving plenty of wood'.

Over the Christmas period of 1997 and through January of 1998 this customary pattern was seriously disrupted. This 'disruption' was distinctly industrial in nature; it involved prolonged disputes between the logging and cartage workforce and the sawmillers by whom this workforce was engaged. Implicated in this dispute was the Victorian Department of Natural Resources and Environment

<sup>&</sup>lt;sup>1</sup> See Figure 1.1. Map of Victoria and southern New South Wales.



(DNRE), the government body that administers forest harvesting. The recommencement of work depended on ratification, by each logging and cartage business, of contracts of employment. The negotiation of these contracts reached a standstill in January of 1998 and resulted in the refusal by the majority of the workforce to sign these contracts and begin work. A complicated and bitter political game ensued.

There were two distinctly novel features to this political battle. Firstly, the general nature and extent of the dispute was hitherto unknown in East Gippsland. Forest workers, their families and the townspeople of Orbost and Cann River are well Environmental blockades, bushfires and floods accustomed to disruption. frequently stall normal working patterns. However, industrial disruptions, when the political antagonism and dispute is found within the timber industry itself, have not previously occurred. Australian timber workers are certainly no strangers to innovative and frequent political protest. In fact, this has been a recurrent feature of the Australian political landscape in the last fifteen years<sup>2</sup>. This dispute, however, was far more particular. Previous protest action had been staged in response to government decisions and bureaucratic agendas, which had had the effect of curtailing or threatening access to particular logging areas. Such protest action was aimed squarely at politicians, government departments and bureaucrats and sought policy changes from these distant seats of power. Political demonstrations such as this have involved the broad spectrum of the timber industry: sawmillers, mill workers, loggers, carters and townspeople. However, over the Christmas and New Year break of 1997-98 these people were often opposed to and pitted against each other. In Orbost and Cann River, the disputes of this period were necessarily disputes between and within families, and amongst friends, neighbours and colleagues.

<sup>&</sup>lt;sup>2</sup> For detailed accounts of such political conflict see Dargavel (1995), Mercer (1995) and Watson (1990).

The second novel feature of this episode concerned the political manoeuvring that transpired. At the end of January, fifty logging businesses, led by the logging contractors and log carters who worked them, joined the Construction, Forestry, Mining and Energy Union (CFMEU). Not only had these family businesses never been involved with unions, but also they had openly and routinely eschewed such collective organisation. In fact, an interest in political affairs and attention to matters outside of one's immediate realm of concern had been consistently denigrated. 'Salt and pepper' was a phrase I often heard being used to derisively refer to anyone with an involvement in 'political matters': "Salt and pepper - he has to be in everything!"

### THE ROOTS OF THE POLITICAL STRUGGLE

The roots of this struggle went much deeper than mere political manoeuvring in the months of December 1997 and January 1998. A 'contract for the harvest and delivery of log timber' had recently been put up for tender by DNRE (Tender EG971). Both local sawmillers and the logging and cartage businesses that worked for these millers sought control of this contract. Competition for this control was a microcosm of the triangulated relationship between, firstly, the logging contractors and log carters who make a living harvesting and delivering log timber to sawmillers, secondly, the sawmillers who buy and process timber, and lastly, the government department which manages and sells this log timber from public land.

Figure 1.2: Existing arrangements, pre-tender

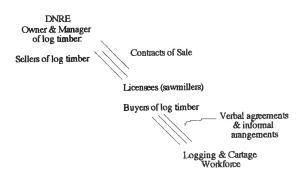
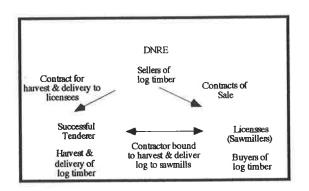


Figure 1.3: Proposed scenario after tender process



Before the different interests of each party can be summarised, it is necessary to briefly explain the significance of the contract. Before Tender EG971, labour arrangements in the EGFMA were organised purely by informal means. Employment conditions, rates of supply and wages had been customarily arranged and negotiated verbally. Whilst various pieces of legislation cover many features of forest work, there had been no legal contractual arrangements pertaining to the employment of forest labour. DNRE, since 1912, had regulated the sale of log timber from the EGFMA by entering into contracts of sale with timber licensees (sawmillers and other buyers of log timber). Whilst the significance of these details is elaborated in later chapters, it is important to note here that the business of logging and cartage remain clearly separated from the business of sawmilling.

Those who do the work of logging and cartage have little control over the terms of their employment. This is a practical reality that is legally underscored: since there is no contract, no legally enforceable, contractual rights can be asserted or exercised by the logging and cartage businesses.

In this triangulated relationship between DNRE, the sawmillers, and the loggers and carters, the latter clearly emerge as the most vulnerable party. DNRE was not only the owner and manager of the resources in the EGFMA, but was backed by a whole raft of government legislation and bureaucratic resources. The position of sawmillers was protected through binding contracts of sale with DNRE. These two parties were thus wedded contractually. However, no such agreements existed between sawmillers and the logging and cartage sector.

Thus, when a contract for log harvest and delivery in the EGFMA was put up for tender it was an opportunity for logging and cartage businesses to seek greater control over their work. As one log carter put it, "We want more control over the flow of wood", meaning that he and his peers were seeking greater control over the organisation of the local log economy. Sawmillers also saw the tender process as an opportunity for themselves, a chance to further consolidate their industrial dominance of the logging and cartage sector and to keep their labour costs to a This would mean that some of the commercial pressures they minimum. themselves were continually subject to might be relieved, if only temporarily. The logging and cartage workforce, on the other hand, wanted to secure the contract with DNRE and thus bypass the power of the sawmillers to which they had been historically subordinated. The sawmillers hoped to keep the loggers and carters where they had always been: well away from governmental assurances and In a small-scale occupational community, the effects of such an industrial dispute were significant. Anxiety and uncertainty flourished, whilst the strength of family-based logging businesses was simultaneously asserted. It was this coupling of uncertainty and the resilience of small business that eventually led to the novel outcomes that prevailed early in 1998.

### THE POLITICAL PRODUCTION OF SOCIAL UNCERTAINTY

The most enduring practical concern arising out of the tender process was the uncertainty that it heralded for the future shape of forest harvesting and transport in the EGFMA. The loggers and carters who were later moved to political action felt this uncertainty most keenly. Logging and cartage is tenuous employment at the best of times. This process, which tendered the control of this entire local industry, served to intensify this uncertainty.

Uncertainty and anxiety are customary in the logging and cartage sector for a number of reasons. Firstly, the volume of timber harvesting in State Forests has reduced dramatically since the late 1970s. Moreover, the scale at which logging contractors and log carters must work, whereby heavy machinery must be leased or purchased, binds these businesses to pressing commercial imperatives. These include large commercial loans and using other property and assets as security. Finally, as with any business, success is geared to conditions well beyond local control, such as metropolitan markets, fuel costs, import and export controls, interest rates and commodity prices.

While these factors have long been present in the labour conditions of East Gippsland forestry, they were made more transparent and problematic during the tender process and the dispute that followed. Central to the rationale that impelled the loggers and carters to action was a desire not just to maintain their work, but also to maintain their work in East Gippsland. All of the logging and cartage businesses in the EGFMA were family affairs. Not only were they owned and

operated by members of an immediate family but they were invariably initiated with the goal of establishing a married couple financially, and providing a local home and future for that couple's children. The most overt threat to both these aspirations was the prospect that 'outside contractors' would be called in to fulfil the contractual obligations that the majority of the local workforce were finding objectionable. If this scenario eventuated, it would leave many local folk with little choice but to seek work elsewhere.

The role of the state in this dispute is central. While this may seem ironic, given that Tender EG971 sought to out-source forestry operations, in actual fact, the conflict was staged on the state's terms. Eighty eight percent of the land in the EGFMA is public, and all of this land is managed by the DNRE (See Figure 1.7). Whilst DNRE has always retained control of the forest estate, it has remained persistently aloof from the employment conditions of forest workers. The primary relationship between the government and the forest producers has been limited to the commercial dealings with the timber licensees (sawmill owners). This relationship has been the only one in the forest industry in which the government has binding, legal obligations. In industrial and commercial terms, loggers and carters have had no relationship with the government. Conditions of employment have been negotiated via informal agreements between the logging and cartage workforce and their immediate employers, the sawmillers. The 1997-98 tender process was an attempt by government to make some party, other than itself, legally responsible for logging and cartage in the EGFMA.

### THE MODE OF PRODUCTION AND CLASS

The dispute of 1997-1998 thus raises several questions. Why did such a fundamental shift in the political alignments of a host of family businesses occur,

and occur so suddenly? What was at stake that was so important as to motivate a group of family businesses to pursue their interests so fervently? What novel class considerations were promoted and unleashed by the political struggles of that summer?

My analytic concern is to show how a group of family businesses, characterised by their political individualism and insularity, (these characteristics are detailed in Chapters 2, 3, 4 and 5), were moved to understand their political entanglements in specifically class terms. More specifically, the analytic challenge is to demonstrate why such an understanding became an impetus for the type of social action that had been hitherto eschewed by these very same social actors. These questions inevitably involve an examination of the issue of class, and the process of class formation.

Because the issue of class is integral to Marxist theory, it is necessary to briefly state some key Marxist ideas so that this ethnographic material at hand can then be grounded in such theoretical foundations. Whilst the concept of class is by no means exclusive to Marxian thinking, the import of the concept for my dissertation is best elucidated by situating it within some broader currents of Marxist theory.

Central to Marxist thinking is the postulation that humans are fundamentally self-creating beings. In the pursuit of subsistence and/or the satisfaction of more sophisticated material needs, humans necessarily engage with nature and with each other. They enter into economic relationships with nature itself, and with each other. It is through such productive economic relations that nature and humankind are constantly transformed and reproduced. This is the rich meaning of production and productive in Marxist language. Production not only refers to the mere economic production of material needs and wants, but to the production and

reproduction of social relationships and the character of the social beings involved in such relationships:

Marx's labouring productive man is constantly developing and changing his relationship to the world and thereby changing - creating - his own nature (McLellan 1975:43)

The pertinent question is, then, how does a Marxist understanding move from this general theoretical premise to an analysis of the social relations of production in a specific contemporary scenario? The mode of production is the overarching Marxist concept that can allow such an analysis to take place.

Whilst the mode of production has received voluminous attention from generations of Marxists, (Cook 1973, Cardoso 1975, Roseberry 1988, 1989, Foster-Carter 1978, Harris 1979 and Wolf 1982) Marx himself was never rigorous nor coherent in elucidating a definitive notion of the mode of production.<sup>3</sup> What unites differing Marxian expressions of the concept, however, is an emphasis on production as a "basic and determining social activity" (Roseberry 1989: 156). For my purposes, Marx and Engels themselves (1970 [1846]: 42) give the best statement of the essence of the concept:

This mode of production must not be considered simply as being the production of the physical existence of the individuals. Rather, it is a definite form of activity of the individuals, a definite form of expressing their life, a definite mode of life on their part.

The concept of the mode production purports to designate actual, definite productive relations between people and the physical world. These are relations through which nature is transformed, as are the people enmeshed in these

<sup>&</sup>lt;sup>3</sup>For contrasting and contradictory positions on the concept of the mode of production compare *The German Ideology* {Marx (1970 [1896])} and *Contribution to the Critique of Political Economy* {Marx (1970 [1859]}. For a summary of the different ways in which Marx conceptualised *modes* of production see Cardoso (1975).

economic relations. Both sets of relationships, the relationships between people and nature and the relationships between people through their relationship to nature, are considered as being part and parcel of the same productive process. An analysis of productive relations aims to elucidate the historical specificity of social and economic life. Production is always regionally, historically, and technologically specific. It must be, as it is necessarily geared to actual empirical conditions which might include the availability of water, land, or labour (the forces of production). All these conditions are particular to certain historical periods, levels of organisation, and regional topographies.

By what means then, do people enter into (and move out of) specific productive economic relations? According to Marxist thinking, class is the principal means by which people enter into such productive relationships with nature and each other (Giddens and Held 1982, Wolf 1982, McLellan 1986, Roseberry 1989, Thompson 1991). Classes are the basic social groups within a society and they mediate the relationships between humans and nature, between the labourers (people) and the objects of labour (nature). It is along class lines that the division of labour takes place. Like any Marxist concept, class is difficult to define unequivocally. The meaning of class varies across Marx's written works and those of his followers and critics.4 Marx discusses class in two basic ways. Firstly, class is referred to as an objective category, meaning actual economic configurations that are the historical conditions of possibility for wage-labourers, capitalists and landowners. The other main application Marx has for the concept of class is a subjective understanding that people hold in relation to their economic and political situations. It is this gap between the objective economic conditions of class and the subjective experience of class that has been of particular interest to scores of sociologists, historians and anthropologists (Giddens and Held 1982, Roseberry 1989, 1995, Weber 1982,

<sup>&</sup>lt;sup>4</sup> For a basic introduction to Marxian class theory see Crompton (1993) and Joyce (1995).

Thompson 1991, Stark 1982, Lash and Urry 1987, Marx 1963 (1869), Harris 1979, Wright 1978, Althusser 1969 and 1971).<sup>5</sup>

This area of academic interest has potentially incisive and insightful applications. An understanding of the relationship between objective economic conditions and the subjective experience of these conditions could readily explain the bases for social action, or as the case may be, inaction. An explanation could be proffered for the empirical actions of social actors and the actual outcomes of political and social processes and events. A study of "class consciousness" (Giddens 1971 and 1982, Thompson 1991, Marx 1974 [1852]) seeks to elucidate the means by which social actors recognise, understand, and act upon the objective economic conditions of their existence.

The key distinction that can be found in Marx's class analyses (1974[1852]) is the one between class-in-itself and class-for-itself. In other words, a distinction between a set of objective economic conditions which a group or an aggregation of individuals share. These shared conditions might include the relationship to employer, a type of labour process or a wage system. It is the subjective consciousness of these conditions which impel, or fail to impel, these individuals to act collectively. In other words, the Marxist distinction between class-in-itself and class-for-itself is the distinction between structure and action (Giddens 1982). It allows the researcher to explore *how* class, as an objective category of economic relations, might become a basis or an impetus for social action and political organization. Giddens talks about this process as the transformation of economic class to social class (1982).

<sup>&</sup>lt;sup>5</sup> Marx's *The Eighteenth Brumaire of Louis Bonaparte* (1974 [1852]) provides the best class analysis of a political dispute and raises most forcefully the issue of class consciousness.

Sociologists such as Giddens (1971 and 1982) have developed models of structuration, which suggest ways in which objective aggregations (economic classes) might be transformed into actual social groupings that act collectively. In another vein, a key critic of, and contributor to Marxian class theory, is Max Weber (1976, 1978 and 1982). Broadly speaking, whereas Marx saw economic production as the key factor in determining an individual's destiny, Weber saw the market as the critical arena. Whereas Marx gives primacy to production, Weber emphasises consumption. It is through examining the relationships of individuals and groups with specifically modern phenomena such as bureaucracies, consumption patterns and political parties that Weber would pursue analysis of contemporary social processes and events. Weber (1982) was keen to under-play the significance of class as a force in inspiring social action. He did not consider class interest, whereby a class exists for itself, to operate as powerfully as many Marxist colleagues were prone to believe:

Power relations deriving from two other forms of group solidarity often crosscut coordinated action that is taken on a class basis: those involved with 'status groups' and political parties. Status groups are founded upon relationships of consumption rather than production and take the form of 'style of life' that separate one group from another (Weber 1982:10)

Weber's contribution is important. He alerts his readers to the multiplicity of interests that are at any given moment imbued in any social formation. He also clearly emphasises the active involvement and agency of individuals and groups within such struggles. 'Style of life', patterns of consumption, and the activation of political allegiances, all involve the calculation and pursuit of a very rich and complex array of social interests that are also culturally structurated.

I will not enter into a debate which compares and contrasts the relative strengths of the Marxian and Weberian schools but the obvious differences between the two schools make a pertinent point. They remind the anthropologist of the need for close ethnographic attention to the social actions and styles of life of actual groups and individuals. Describing the richness of such interests, and the ways in which these become culturally important and relevant for individuals and groups is a task that an anthropologist, with his or her emphasis on ethnographic research, is well suited to carrying out. In a small community, like Orbost, where it is necessary to maintain ongoing face-to-face relationships, and where issues of status and identity are articulated in a confined and circumscribed social and geographical orbit, the usefulness of detailed ethnography is all the more acute. To further mine the analytic possibilities afforded by the combination of such detailed ethnography and the concept of the mode of production some ethnographic practitioners of the concept must be examined.

## ANTHROPOLOGICAL APPLICATIONS OF THE CONCEPT OF THE MODE OF PRODUCTION

It is precisely because the mode of production concept emphasises production as both a definite, socially determining activity and as an historically specific phenomenon that it is such a powerful analytic concept. The concept brings the forces of production and the relations of production into the same analytic orbit. The forest estate, the roads that connect forested areas to trading and manufacturing centres and the technology of modern forestry can thus be seen to be inextricably linked to the employment of logging crews, the sub-contracting of log carters, the system of wages and so on. It is the ways in which these two tendencies come into contradiction with each other within specific historical instances that a mode of production analysis purports to elucidate. This is why I have chosen to use this concept to analyse the ethnographic material of this dissertation. By situating family logging businesses within a history of Australian forestry I demonstrate that the small-scale business of logging (which is

unavoidably the business of families) is resolutely and routinely at odds with the rationalised 'resource regimes' (Dargavel 1995: 27) of contemporary forestry that are driven by much larger economic interests.

The EGFMA, an area in the southeastern corner of the Australian continent, is inextricably enmeshed in a set of productive relations and a network of commodity circulation that is truly international. Harvesting of log timber in East Gippsland is but one element of the Pacific Rim pulp and paper manufacturing industries that are centred in Japan, Taiwan and Korea. Japanese pulp and paper interests began serious negotiations with the local timber industries of southern New South Wales and East Gippsland in the late 1960s and by 1970 woodchips were being exported from Australian shores to the Daishowa Seishi pulp and paper mill in Japan. From this date onwards, 'the mode of production' becomes a vital concept in understanding the influence of international economic trends on the local political economy of an area like East Gippsland. Thus, considering an area like East Gippsland as a self-enclosed entity that *is not* part of a larger set of productive relations is not merely artificial but is a positive obstacle to grasping the nature of the realities found there.

The foremost anthropological application of the concept of 'the mode of production' is found in Eric Wolf's Europe and the People Without History (1982). Wolf charts the development of the world economy since 1400AD, concentrating on the development of different modes of production that set the terms for the transformation of societies and the creation of whole new social orders. The concept of the mode of production is indispensable to Wolf: it provides the thematic underpinning to the various cultural permutations of political and economic relatedness that his ethnographic work maps.

The process of class formation is integral to Wolf's depiction of the developing capitalist mode of production in the nineteenth century. The industrial revolution intensified the colonial and imperial efforts of the world's powers. Securing territories provided resources for industrial raw materials and markets for novel industrial commodities, and enabled the regional specialisation of economic production. For example, the south of the United States of America was dominated by intensive cotton production, sugar plantations proliferated in the Caribbean, and the Canadian Prairie was almost exclusively devoted to wheat production. Wolf's work studies the ways in which these productive changes engender 'new working classes in widely dispersed areas of the world' (Wolf 1982:383). Not only are these working classes generated in diverse areas, but within a huge variety of political and cultural orders. The struggle of emergent working classes to maintain and promote their interests within such political systems has become a key template of political landscapes everywhere.

Following Marx (1977 [1867], 1974 [1852]), the particular emphasis given to the concept of class in this dissertation is its inextricable link to struggle under the capitalist mode of production. By linking class and struggle I am referring to the historical struggle of working populations to 'challenge employers and governments, to organise associations . . . and to improve the conditions of their work and lives' (Wolf 1982:360). However, the crucial point here is that struggle does not simply refer to the contest to overcome the unequal relationship between working populations and capitalist interests. It refers also to the struggle of actually articulating class interests, since class interests are never the sole interests of any working population (Weber 1968[1922] and 1930[1922] and 1982). Whilst my project is much more modest than Wolf's, my dissertation, nevertheless, examines the formation of a class through the analysis of contemporary ethnographic data: the industrial dispute in the East Gippsland timber industry over the summer of 1997-8.

My ethnographic focus is directed more narrowly at the regional economy of East Gippsland with a view to analysing the way in which this regional economy has become progressively enmeshed with the transnational capitalist production of pulp and paper. Such an analysis necessarily involves an investigation of the development of an 'export platform' (Wolf 1982:383) to which the East Gippsland economy became geared and the introduction and institutionalisation of particular methods of extraction in the form of new systems of forest harvesting and management. How regional communities that are economically dependent on resource extraction relate to the increasingly rationalised, bureaucratic state programs of environmental management will remain an issue of much importance in the future. It is through detailed analysis of the material historical processes that are accumulated in particular regions that the complexities of local relations of production are revealed. My research provides an understanding of the industrial dispute in East Gippsland during 1997-98 in precisely this way.

Despite these obvious differences in scale, my ethnographic and analytic exercise parallels Wolf's project. Whilst Wolf's focus is the world economy, my narrower concern is the regional forest economy of East Gippsland. My focus is the emergence of that regional economy in relation to the expanding international production and consumption of paper since the Second World War. This development has involved the emergence of Japanese 'woodchip quarries', of which East Gippsland is one. My ethnographic interest is in unpacking the localised social and political relations engendered by this scenario.

The mode of production in this instance can be unequivocally understood as not only capitalist, but also as resolutely international. The principal ideological component of such a transnational mode of production is the bureaucratic control of forest management and the burgeoning conservation lobby. In the Australian

case, where the bulk of forestry is conducted on public land, and where the East Gippsland history of timber production has been progressively punctuated by environmental disputes and government controversies, these ideological components are *necessary* elements of timber production. This point is expanded in Chapter 2.

It is surprising, therefore, that more Marxian analyses of Australia's regional forest economies have not been forthcoming. Whilst there has been significant academic research on Australian forest disputes and much governmental and scientific literature on the subject, this research has largely avoided analysis of the real industrial players, not the least of whom are the local level timber industries and the workers who contribute to them.

Tim Bonyhady's *Places Worth Keeping* (1993) attempts to analyse a wide range of Australian environmental conflicts that have been of considerable political, legal and environmental significance since the early 1970s. Part of Bonyhady's project is to propose an analytic structure that encompasses a diverse range of environmental disputes involving different government bodies, political processes and legal procedures (Bonyhady 1993:ix). It is unclear, however, whether Bonyhady is seeking a heuristic device that enables the individual disputes that he chronicles to be grouped sensibly together so they can be studied comparatively, or whether he is in fact seeking an analytic grasp of a material process that generates such disputes and conflicts. Presumably, such an analytic grasp would provide an enhanced understanding of the individual disputes themselves.

A study focusing more squarely on forest disputes is Ian Watson's Fighting over the Forests (1990). It is a serious attempt to understand the deep roots of forest conflicts in New South Wales from the early 1970s onwards. Watson's purpose is to explain why the conflicts between conservationists and timber workers have

been, and continue to be, so antagonistic. His historical analysis of the New South Wales timber industry demonstrates how a culture of uncertainty has come to pervade forest work. Rationalisation of the industry, including the concentration of production into fewer and larger mills, technological advancement of milling equipment, and the relative unsuitability of hardwood forests to this larger-scale industry all contributed, and continue to contribute, to the tenuous nature of timber industry employment in native forest regions.

Watson's central purpose is to address the seemingly intractable political issue, the forest dispute. However, there is no clear acknowledgement of, let alone any clear analytic attention accorded to, the idea that timber workers might actually have political agency of their own. Indeed, it is difficult for such agency to be conceptualised in the first place if timber workers are collapsed into meaningless terms like 'the hardwood industry'. When the focus is on conflict *between* the conservation lobby and 'the industry', as is the case with Bonyhady (1993), Mercer (1992) and Watson (1990), the different facets of the timber sector are misleadingly melded into artificial, abstract wholes like 'the industry'. As a consequence, the internal conflict within 'the industry', and the light which this conflict might shed on not only forest disputes but also a multitude of political issues arising in regional economies, is ignored.

The most comprehensive study of Australian forestry is Dargavel's Fashioning Australia's Forests (1995). Dargavel's work (1995, 1993, 1988 and 1987) focuses mainly on Australian forest use since European settlement. He pays particular attention to the development of what he calls 'resource regimes' (1995:27), the political, administrative and bureaucratic orthodoxies that evolved according to the different modes of economic production that were brought to bear on Australian forests. Not only is Fashioning Australia's Forests (1995) an exhaustively detailed work, it is the clearest application of a Marxian analysis to the Australian forest

economy. It demonstrates very clearly how Australian forest history unfolded the way it did.

Whilst these authors, Dargavel (1995) in particular, are required reading for researchers of Australian forest issues, they share a common flaw. The empirical impetus for their theses comes from the State and national-level political debates in which the forestry sector has consistently furnished 'problems' for governments. Environmentalism and forestry have had valuable political currency since the 1970s,6 and at various times since then New South Wales, Victorian, Tasmanian, Western Australian and Commonwealth Governments have been racked by bitter and protracted protests concerning timber-producing areas (Dargavel 1995, Mercer 1995, Watson 1990 and Peace 1996). Despite this empirical reality, the struggle of these rural industries has received remarkably little attention by Australian researchers. Whilst the forest sector unions and forest industry lobby groups have received some attention from the above authors, the overriding emphasis remains on government. How do governments attempt to manage economic and institutional changes? How does the state endeavour to assert its political legitimacy in the face of divergent commercial and community interests? The active agent in the above authors' analyses is government. The idea that regional working populations and communities might be actually implicated in this struggle, and actively engage in it, seems not to be acknowledged in this literature.

Whilst Watson (1990), Bonyhady (1993), Mercer (1992) and Dargavel (1995) examine the roles of government, bureaucracy, professional lobby groups, and unions, their analyses proceed independently of the populations that these bodies administer and address. This is ethnographically inadequate. What is required is an analysis that can not only adequately consider all of the above elements, but that

<sup>&</sup>lt;sup>6</sup>See in particular Bonyhady (1993), Watson (1990), Mercer (1995) and Sylvan and Routley (1975).

can also take into account the active agency of workers, and the historical interaction of, and frequent divergence of, interests that have characterised the forest economies.

### **METHODOLOGY**

The scope and emphasis of this dissertation did not arise directly from a reading of the anthropological and non-anthropological literature alluded to above. Rather, its scope and emphasis emerged from an ethnographic encounter with a local forest economy and logging community. I spent sixteen months between November 1996 and March 1998 living in Orbost, the main town in the East Gippsland Forest Management Area, a town with a history of forest work and trade that extends over a century.

Before arriving in Orbost my plans were to investigate the local social and cultural roots of recent political activism in the timber industry that had culminated in a massive blockade of the Commonwealth Parliament in Canberra in February of 1995. A sign of things to come was that the town of Orbost had elected to close down at this time so as to support the blockade. The tender process of 1997, the negotiations surrounding the individual contracts arising from it, and the strike that followed became the pivotal events in this analysis. This was despite the fact that I had already completed a significant period of fieldwork before I began to learn of the relevance of these events to the local industry. Prior to learning of the existence of the tender process, let alone realising its importance, I had concentrated on the practical details of logging, the particular work practices within a logging crew, the language of loggers and the structure of the family businesses that logging and cartage operations invariably are. I had also studied the ways in which logging and cartage was connected to sawmills: in short, the logistics and the politics of the local log economy. I learnt of these things by

spending time in forest coupes, watching men work, eating and drinking with them during breaks and assisting workers in various instances. As well as this, I spent considerable time in the company of these men travelling to and from the logging coupes and 'camping' with them when their logging coupes were a considerable distance from town. These experiences familiarised me with the nature of logging. By riding with log carters in their trucks, helping them record log details whilst they loaded logs at the coupe, and helping them unload logs and fill out dockets at sawmills, I steadily acquired a knowledge of the industry's occupational culture.

During the course of this research I began to hear repeated references to 'the tender', 'new contracts', 'Humphrys' and 'Andrews', and 'the Association'. These and other phrases seemed to acquire an increasing intensity every week. And as DNRE produced material relating to the contract and the tendering process, my analyses of that material filled out some of the gaps in my knowledge.

After spending significant amounts of time with loggers in forest coupes I became increasingly conscious of the weight of forest history and policy that bore upon these workers. Not only had they had long associations with the forests and forest work, but also their everyday work was so clearly structured by this accumulation of labour history. This observation fuelled my own historical inquiries, through recorded interviews and through consultation of archival material such as local council records and newspapers.

But a more salient insight, which was reinforced repeatedly during fieldwork, emerged initially right at the beginning of my time in Orbost, before I had even managed to gain first-hand experience of a logging coupe. Visiting an operational forest coupe seemed the logical thing to do as this forest setting had been the

<sup>&</sup>lt;sup>7</sup>Humphrys and Andrews are the two dominant sawmillers within East Gippsland Logging.

subject and the setting for many forest disputes. I hoped such a visit would also facilitate my interaction with logging workers, enable me to learn something about them and the jobs that they did. However, my first effort at 'getting up the bush' was a failure.

I had procured the name of a prominent local contractor, Peter Williams,8 whom others suggested might be able to help me out. His logging operation was a big one. He managed four crews and his trucks in a full-time administrative capacity, in contrast to most contractors who manage, and work in, one crew. I introduced myself and explained my fieldwork goals, which at this stage were necessarily broad, and suggested why the experience that I was seeking would be valuable to me. Before too long he had responded bluntly and clearly to my advances. He explained that he had been "put through the mill with greenies, students, and just about everyone else" and that the trouble that this had brought made him very wary of dealing with someone like me. The problem was made worse because although I had offered my labour free of charge, in fact I had little to offer a modern logging operation that used skidders, excavators and advanced bulldozers. His answer was, "No". I then asked him if he could suggest other logging contractors who might be What other local contractors were there with whom willing to help me. These questions elicited uneasy and involvement would be enlightening? defensive responses in which Williams stressed his long experience with logging, which he claimed outstripped that of his fellow contractors bar one other man.

I did not pursue the matter further with Peter Williams, as he assured me he had important matters to attend to. I felt quite disappointed with the outcome and this was evident later that night when I was in conversation with a new acquaintance at

<sup>&</sup>lt;sup>8</sup> I have used pseudonyms for all the individual loggers and carters with whom I worked and camped, who provided me with information, and who played prominent roles in the dispute which this dissertation analyses. I have used the real names of the various local and overseas companies involved.

timber industry. Framed photos of log trucks and logging crews sat above one section of the bar, as did a collection of stickers and plaques that carried the slogans of timber industry groups and timber unions.

My new acquaintance, with whom I had briefly discussed my fieldwork hopes, introduced me to two friends who worked in the bush, Bob Matthews, a log carter and, Jason Holland, a bulldozer driver in a logging crew. "Ah, so you wanna join the university of the bush, do ya?" one of them queried. I could only answer, "Yes", to this question and began telling them about my earlier effort that day. When I mentioned the name of the contractor I had approached and the response that I had received from him they were both genuinely amused. They felt that Peter Williams was 'big noting' himself and took delight in detailing some of his past mistakes. My new acquaintances suggested that I could learn better from others and Jason Holland offered to get me out with the crew that he worked in. I accepted this offer gladly.

This was no doubt an important stage in my research as it provided me with my first opportunity to see an operational coupe and enabled me to spend significant amounts of time with logging workers. It was, however, a turning point in another way that consistently emerges in this thesis. Negotiating this entry had tapped into some of the competing claims about experience and expertise, which are *de rigeur* in the world of East Gippsland timber workers. The shared circumstances and solidarity of logging workers sat alongside antagonism, rivalry and intense political individualism. Assertions of status were never far from the surface in my fieldwork with logger and log carters. This no doubt was a key in the struggle for this workforce to undertake collective action in pursuit of common political goals. It was evident at this early stage these loggers invested great pride in their work and identities as self-reliant workers who supported their families through their

logging work. I surmised at this stage that such pride would make political cooperation amongst loggers difficult to achieve.

Whilst there is a reasonable amount of literature on East Gippsland, reading it does not yield the richness of insight that is to be had from recording and interpreting social phenomena first-hand. By 'being there' (Geertz 1988), I witnessed the work practices that I subsequently sought to understand, and countless local political incidents were brought to my attention. Importantly, it was never really possible to grasp the significance of these practices and events immediately, precisely because they were *happening*. I never predicted the collective action of January of 1998, and neither did anyone that I spoke to. The emergent quality of these political events has a lot to do with the class nature of the dispute. This affirms E.P.Thompson's notion of class as force, as opposed to a structure or category, as something 'which in fact happens . . . in human relationships' (1991:182).

### STRUCTURE OF ARGUMENT

Chapter Two outlines the history of forestry in East Gippsland, and in particular explores the development of an 'export platform' (Wolf 1982:382) for Japanese-bound woodchips in the hinterland of East Gippsland and southern New South Wales since 1970. This chapter also demonstrates the way in which the commercial and political imperatives of the 'new forestry' become entrenched in governmental and bureaucratic orthodoxies. In Chapters Three and Four, I address in ethnographic detail the ways in which prevailing Australian forestry orthodoxies are transposed to the forest floor. These two chapters depict the scientific and bureaucratic methods that have evolved to facilitate the extraction of log timber for international and domestic industrial production. These two chapters thus show clearly how these methods constantly and routinely conflict with the imperatives of

small-scale family businesses that conduct the everyday business of logging on the forest floor. This conflict is nowhere more keenly felt than in the occupational roles of logging contractor and log carter. Chapter Five focuses on the industrial dispute of 1997-98 in which the majority of log carters and logging contractors in the EGFMA engaged in collective strike action to secure particular conditions of employment. My analysis of this dispute shows how it was possible for this novel collective action to take place. In my conclusion, Chapter Six, I critically reflect upon the findings of my own ethnographic research, and explain how and why these findings illustrate the theoretical necessity of the analytic concepts like the mode of production in developing an understanding of contemporary political disputes and debates.

### **CHAPTER TWO**

### THE REGIONAL ECONOMY OF EAST GIPPSLAND: FROM VICTORIAN RAILWAY SLEEPERS TO JAPANESE PAPER

The 1997-1998 industrial dispute in East Gippsland between, on the one hand, logging and cartage businesses, and on the other, sawmillers, can only be understood by analysing the history of native forest logging in the region. For it was this history that spawned the development of social relationships between the above two groups that culminated in the above dispute. These social relationships grew out of the technological, commercial, and administrative transformations that have progressively permeated every aspect of Australian forestry over the last thirty years. The focus of this dissertation is to examine how the logging community came to interpret such transformations, and to evaluate the political realities that they faced. I use the term evaluate because the above industrial dispute was not merely a situation whereby social actors became conscious of a set of circumstances in an empirical sense, but where families and individuals sought the satisfaction of particular values. These values can be stated as self-reliance and independence of the family business. This translated as the desire to continue to work in East Gippsland.

Many anthropologists (Cole 1977, Cole and Wolf 1974, Boissevain 1975, Clifford 1988, Marcus and Fischer 1986, Roseberry 1983, Mintz 1974a, 1985, Wolf 1982) have argued for the necessity of contextualising local subjects of study in wider material history. In this case, it is necessary for two reasons. Firstly, it is necessary to understand how the regional forest economy has become incorporated into the international boom in pulp and paper manufacturing after the Second World War. The impetus for such economic developments came from outside of

East Gippsland. An analysis therefore must be pitched at the generation of the productive processes that constituted East Gippsland as a new hinterland for pulp and paper manufacture. An account must be given of the ways in which the forest estate and the network of road, water and rail transport became productively enmeshed within the burgeoning pulp and paper industries of the late twentieth century.

Secondly, these basic developments brought about localised relations of production in East Gippsland that were of a fundamentally new kind. It is these relationships, including the relationships between sawmillers and logging businesses, which were brought about by economic transformations at a higher level. It is not merely that the social actors of my study, loggers and carters, are affected or influenced by such economic transformations: rather, these transformations created their very occupations and livelihoods. This is not to say that people are determined by such material transformations, or remain immovably bound by their occupational roles. Instead, social actors evaluate conditions and pursue social, cultural and economic goals that are relevant to them. In this ethnographic case, such goals were particularly local: the maintenance, defence, and consolidation of family interests. The ways in which such goals were not only pursued but were culturally formulated is a topic amenable to ethnographic analysis.

As my dissertation demonstrates, what different East Gippsland logging businesses understood as appropriate political aspirations was invariably controversial. It was never possible to posit an objective notion of the interests of a logging business, and for all loggers and carters to collectively pursue such an interest. Not only were the economic relationships that different logging businesses enjoyed qualitatively different from one another in an objective sense, but they were understood differently subjectively. This is the very real sense of class struggle (Giddens 1982, Marx 1974[1852]) in that it is a struggle for people to understand

the objective economic conditions of their existence in a highly subjective sense, and to seek to change these objective conditions. The transition from economic class to social class, from structure to action, is highly problematic and not at all mechanical (Giddens 1982, Thompson 1963, 1978b).

The economic forces that underlay the transformations of the timber industries were not generated from within Australia, but from the growing Asian economies. Although the development of domestic pulp and paper manufacturing can be traced to the 1930s, a far greater impact was made by the extraction of Australian pulpwood by Japanese paper giants, a process which began seriously in the late 1960s. Japanese paper companies were the first in the world to intensively systematise a paper production process that spanned different countries and thus entered into diverse political, economic and regional relationships. Companies like Daishowa Seishi<sup>9</sup> sourced woodchips from hinterlands all over the world. These hinterlands, such as East Gippsland and southern New South Wales, provided the industrial raw materials for large-scale paper production. Whilst the multinational paper companies grew and diversified their sources of labour power and raw materials, these hinterlands increasingly came to occupy "auxiliary or marginal positions" (Wolf, 1982:353) vis-a-vis the productive centres that initially targeted them.

### THE SOURCE OF THE NEW DEMAND

Whilst Japan's emergence as a global economic power cannot be attributed to one factor alone, its comparative paucity of natural resources has been a key driving force in its rapid economic development. The lack of an extensive forest estate has

<sup>&</sup>lt;sup>9</sup> Daishowa Seishi, the second largest Japanese paper manufacturer, is the parent company of Harris-Daishowa Australia (HDA), which operates an export woodchip mill on the south coast of New South Wales. The EGFMA is one of the regions from which HDA sources woodchips.

necessitated the diversification of its timber resource in order to keep pace with its own rising demand for forest products.

The increased consumption of pulp and paper products is the chief imperative propelling this process. Rising consumption of pulp and paper products is not a trend confined to Japan. Since the Second World War, newsprint, packaging, printing and writing paper have all experienced massive increases in use, especially in the developed 'baby boom' economies of the 1950s and 1960s. As well as increases in traditional paper uses, there were significant increases related to new developments such as supermarket shopping and computing. The rising level of consumption from the 1960s onwards was especially intense in the newly industrialising 'Asian Tigers' - Japan, Indonesia, Hong Kong, Taiwan, Singapore, Malaysia and South Korea. <sup>10</sup> In 1960, the Japanese consumed, on average, forty-six kg of pulp and paper products annually, whilst Australians consumed almost 100kgs a year. By 1990, annual consumption *per capita* had risen dramatically in Japan to 228kgs, but only to 165kgs in Australia. The Japanese population also increased during this time so that the total increase in Japanese consumption of pulp and paper products rose enormously.

The inadequacy of Japanese forest resources in serving such a domestic increase in consumption was quickly revealed. Japan had cut its forests hard after the Second World War to facilitate reconstruction, 11 and bombing in the Second World War had damaged much of its forest resource close to metropolitan areas. In addition, Japan had already lost many of the former colonies on which it previously relied for timber imports and the cedar plantations established after 1945 were slow in reaching maturity. Many of these plantations were so costly to harvest that pulp and paper manufacturers preferred to look elsewhere for cheaper raw materials and

<sup>&</sup>lt;sup>10</sup>For a more detailed account of domestic pulp and paper manufacturing before the Japanese export drive see Sinclair (1987).

<sup>&</sup>lt;sup>11</sup>For a detailed account of Japan's forest policy, see Handa (1988).

production costs. In 1961, Japan was cutting eighty million cubic metres of its own forest timber, but by 1981 it was harvesting less than half that amount from its own forest estate. The rural structure which had made forestry possible fell away, and many displaced rural people moved into metropolitan areas, further intensifying demand for paper-based consumer goods. So whilst demand rose, the rural infrastructure that had customarily facilitated supply was no longer functional. ".. (Imports)... were the only solution, the forests of the Pacific basin their source" (Dargavel 1995:84).<sup>12</sup>

Japanese paper companies initially purchased pulpwood from two different sources. They bought waste wood from Japanese sawmills and imported whole pulp logs from the Soviet Far East. These methods persisted until 1965 when large, capital-intensive woodchip mills and ocean-going woodchip carriers were built. This brought previously "distant Pacific shores within economic radius" (Dargavel 1995:86). Australia, which boasted bountiful eucalypt resources, stable government and an established regional structure in the coastal forest belt, fell well within it.

In the decade from 1965, Japan's total woodchip imports grew from zero to nine million tonnes, much of it from Australian forests. In the four years from 1970, when Australia began exporting woodchips to Japan, 2.6 million tonnes were shipped out. By the mid-1970s, forestry on Australian public land had already assumed a direction from which it would not diverge. Large-scale production, whereby bigger and bigger quantities of timber were extracted for high volume manufacturing, had begun to dominate the Australian regional timber economies. These regional forest economies, which had operated, in various ways since European settlement<sup>13</sup> underwent radical transformation.

<sup>12</sup>For analyses of Japan's corporate structure, see Young (1979) and Kojima and Ozawa (1984). <sup>13</sup>For historical accounts of Australian forest economies see Dargavel (1992, 1995), Watson (1990) and Hudson and Henningham (1986).

Whilst the export of forest products has a history as long as colonial Australia itself, the recent development of the export woodchip trade is a pivotal moment in this history. No other trading development has had such a profound effect. The Japanese woodchip trade transformed the political economy of forestry in which rural communities like Orbost and Cann River became inescapably enmeshed. Its effect cannot be easily quantified. Rather, it is best understood by unravelling its many social and economic impacts on the regional forest economy of East Gippsland.

### THE CHANGING FOREST ECONOMY OF EAST GIPPSLAND

Agricultural and pastoral clearing, and modest housing and fuel needs necessitated the only logging in East Gippsland in the first half of the nineteenth century. Discovery of gold in the region in 1852 and 1866 precipitated temporary rushes of timber production for mining, but these rushes were short-lived. Forest products were exported from East Gippsland as early as 1875, when wattlebark stripping was shipped down the Snowy River and later delivered to European tanneries.

The first sawmill in the area was established in 1880. It processed timber that was felled from the mahogany gums that lined the banks of the Snowy and Brodribb rivers. This filled the large orders that were received for paving blocks for Melbourne's city streets, and in 1888 timber from the banks of the Snowy and Brodribb was also used to build the breakwater at the Victorian port of Warrnambool. Water was the dominant mode of transport. Log timber was sourced from close to the riverbanks, and trade was conducted between East Gippsland and other areas accessible by river or sea. Demand was highly specific,

and the species of timber particular to and plentiful in East Gippsland were much sought after by timber merchants. The region's geographic isolation and botanical bounty ensured that these species remained in adequate supply. Eventually, the high incidence of shipwrecks off the treacherous East Gippsland coast and the extension of railways ensured the demise of commercial river and sea transport in this area. Proximity of forests to rivers and ports became less important to patterns of timber extraction.<sup>14</sup>

Railways were to revolutionise East Gippsland timber production. The Sale-to-Bairnsdale line was completed in 1888 and political pressure soon mounted to extend the line to Orbost. This pressure received added impetus in 1904 when Dalgety, on the upper Snowy River, was chosen as the site for the capital of the newly federated Australian nation. By extending the line to Orbost, a link between Melbourne and Dalgety could later be created. Construction of the line to Orbost began in 1912, and was completed in 1917, with the sleepers being sourced from the trees that lined the route. Upon completion, the Victorian Railways Commission dedicated the forest areas around Orbost to supply the state's railway sleepers and hewn beams. Only three years later, in 1920, the Orbost region was supplying twenty-five percent of the state's sleepers and sixty percent of its hewn beams (DNRE 1996:25).

Around 120 sleeper cutters were employed during this period, many of them lured to the area with a free rail pass and the promise of twenty years' work. Sleeper cutting required only a modest outlay of capital, and hard work could reward cutters. For individual sleeper-cutters, the great advantage was that they could log selectively, taking only the stronger and valuable species, thus ensuring adequate financial returns for themselves. Marketing of the sleepers was of no concern to

<sup>&</sup>lt;sup>14</sup>For more information on the Snowy River Shipping Company and on the nineteenth century sawmilling industry around Orbost see Seddon (1995) and Gilbert (1972).

the sleeper cutters either. Cutters worked to orders from the Railways Commission and the Department of Public Works. It was the sleeper cutters, whose work required specific skill and expertise, and no one else, who supplied government buyers. Until the technology and the markets for more processed timber products developed, there was no opportunity for a separate class of private sawmillers to emerge.

Sawmilling, whereby log timber is sawn mechanically to produce building framing, flooring timbers, pallets, beams and sleepers, began to dominate timber production in East Gippsland from the 1950s. There were two reasons for this. Firstly, the 1939 Central Highlands bushfires (DCNR 1995) ravaged the mountain ash forest belt around Melbourne upon which the metropolitan building industry depended. Despite extensive efforts to salvage timber, a massive forest resource was still needed to meet domestic demand for housing markets and government programs. East Gippsland, largely unaffected by the fires, was designated by the Forests Commission as this new resource site. The second reason was more general, and was connected to the demographic changes of the post-war period. An upsurge in domestic building activity and furniture demand was precipitated by the influx of two and a half million migrants and refugees and a high national birth rate between 1945 and 1965.

In 1952, thirty-four mills were operating in what now is the EGFMA. By 1969, forty-three mills were selling, to public and private buyers, twenty-five percent of the state's sawn timber. Between 1945 and 1967 sawn timber production in the EGFMA increased three-fold. The Victorian Forests Commission continued to supply large quantities of timber from East Gippsland to the State Electricity Commission, the Department of Public Works, the Harbours Trust and the Country Roads Board. Selective logging was still the practice prescribed and policed by the Forests Commission, and under this system sawmillers would employ their own

logging teams who would take the best and most valuable trees. So whilst sawmills proliferated, so too did the sawmillers' control of logging operations. Gone were the contracted individual cutters who were directly engaged by the government. In their place was the emerging class of sawmillers, whose relationship with government was decidedly stronger. The rise of sawmilling was underwritten by the development of formal commercial relationships between sawmillers and the Forests Commission. Sawmillers were required to buy licenses from the Forests Commission which would grant them access to particular volumes of timber, and they were required to pay royalties on any timber that they cut.

Despite this expansion, production remained domestically controlled. Housing and furniture demand in Melbourne and regional Victoria remained the principal market destination for sawn timber produced from East Gippsland's forests. The rail head which had given rise to the era of sleeper cutters in the 1920s and 1930s and from which timber was transported west to Melbourne, remained the centre around which the regional forest economy revolved. Logging and cartage became more mechanised, with bulldozers and chainsaws increasingly used in logging and cartage operations. Whilst such capital equipment changed logging practices, it did not significantly change the class relations of logging. Capital items such as chainsaws and bulldozers invariably remained owned and controlled by sawmillers. However, all of this was to change with the rapid growth of the transnational woodchip trade.

## THE INDUSTRIALISATION OF EAST GIPPSLAND FORESTS: "THE NEW FORESTRY"

In July 1967 the first rumours circulated that a "group of state, interstate and overseas interests" (Snowy River Mail 1967a:1) were seeking supplies of pulpwood from NSW and Victorian forests. The massive expanses of native forest in the south-eastern corner of Australia would readily provide much log timber. Two-Fold Bay (Eden), which had long been earmarked as a major deep-water port, could host the perfect modern wharf from which woodchips could be exported. In September 1967 these rumours were given credibility when Mr Masuyama, then managing director of Daishowa Seishi, inspected timber resources around Eden. In order to meet Australian export regulations, Daishowa entered into partnership with two Australian companies, Harris Timber and Hardware and E.B. Cane and Associates. This joint venture then investigated the feasibility of an export woodchip mill. In July 1968 Harris-Daishowa Australia (HDA) opened for trading and the construction of the woodchip mill and mooring facilities began. Eight years later, HDA was 100 percent Japanese owned.

HDA was fully operational by 1970. By 1972, three more export woodchip mills had opened in Tasmania, and in 1976 a chip mill began exporting woodchips from Western Australia. Before these exports began, pulp and paper manufacturers were cutting one million tonnes of pulpwood from Australian forests each year. By 1990, Australia was exporting five million tonnes, ninety-five percent of it to Japan. In the space of two decades, Japan had massively industrialised Australia's forest economy. No longer would the activities taking place in Australia's forests be driven primarily by domestic demands. Instead, the economic imperatives of overseas companies determined what part Australian hinterlands played in the pursuit of capital accumulation.

Both the Commonwealth Government and the various state governments were brokers of this forest industrialisation process. As policy-makers, the state government departments responsible for forests implemented the day-to-day details of the 'resource regimes' (Dargavel 1995:84) that had historically developed to govern the extraction and sale of public forest timber. The Federal Government regulated the export of woodchips.

The governments of the 1970s bore more resemblance to timber merchants than to capitalist producers. They were trading middlemen who oversaw the extraction of timber and secured its sale to foreign buyers. Thus the important role for government was to establish conditions of capitalist investment and extraction. Ensuring these conditions and securing such extraction would translate to employment and regional development, both desirable political outcomes. Enticements to overseas investors, rather than grand projects that sought to establish indigenous manufacturing, became the favoured option of government. MacIntyre discusses this development of relationships between capital and government in Australia after the Second World War:

the state did not attempt to construct or operate new undertakings, rather it attracted private capital to do so by means of concessions and other inducements (1986:307).

The readiness with which Australian governments facilitated wood chip extraction and export industries was an example of this more general trend.

## THE MATERIAL IMPACT OF WOODCHIPPING: THE POLITICISATION OF FORESTRY

Such major changes to the forest economy did not occur without profound and particular local effects. The technological and organisational imperatives of the new logging precipitated novel technical and political issues, and set in train political processes that continue to dog logging and cartage businesses.

Firstly, there were the new technical challenges that accompany clear felling. Silvicultural techniques had to be developed to regenerate the logged landscape, and the roading network in forest areas required expansion. In addition, the increase in the size of forest harvesting demanded a much higher level of coordination in the areas of forest planning and government policy.

However, forest industrialisation affected much more than the scope and nature of timber harvesting *per se*. Clear-felling had a direct impact on the nature of logging work and logging businesses, but it also had powerful impacts on the political status that conservation issues assumed. The Japanese woodchip trade, and the clear-felling practices that it ushered in, changed not only the forest landscape but also the political culture of forestry, and gave specific impetus to the emerging conservation movement. The rise of an environmental political consciousness had material impacts on the East Gippsland forest industries and all involved in them. Before these effects can be summarised, the emergence of the new forms of timber industries must be documented. It would be pointless to talk about novel political imperatives without looking to the new logging classes who became subject to such pressures.

## CLEAR FELLING, THE NEW LOGGING COMMUNITY AND SAWMILLERS

Clear felling is a harvesting technique whereby all the trees in a parcel of forested land are logged, with the better quality trees being supplied to sawmillers and the poorer quality ones to pulpwood buyers. Clear felling emerged as a technical solution to the problem of integrating pulpwood and saw log harvesting. When clear-felling was introduced to East Gippsland between 1967 and 1970 it meant that instead of logging crews combing the forests for the best and most valuable species, they now had to clear-fell a whole area. Particular areas, coupes, were scheduled for harvesting. Because the overall size of forest harvesting increased, greater amounts of time and capital were necessary.

For sawmillers, clear felling brought massive increases in the costs of production. Unlike selective logging, the clear-felling method harvested whole patches of forest. Therefore, logging areas had to be sufficiently distant from one another to allow for forest regeneration. Since this added to the fixed costs of bulldozers, chainsaws, log cartage and fuel, sawmillers were suddenly faced with the variable costs of interest on enlarged capital loans. In addition to facing these increased labour and capital costs they were also obliged by the Forests Commission to build and maintain roads to access previously un-logged areas. These new costs forced most small mills out of business, since they could not afford to invest the capital to make the productivity gains that were required to recoup their enlarged production costs. Bigger mills developed, through the merger of several businesses, and smaller mills closed. Bigger mills would buy up smaller mills, so as to gain access to logging volumes that these smaller mills were licensed for, and invest in more efficient milling equipment. The surviving mills were thus characterised by their increasing capital-to-labour ratio. Out-sourcing logging and cartage operations was one of the keys to the commercial survival of sawmills.

It was at this point that logging, which now took place over greater distances and harvested a greater volume of timber, became a separate, sub-contracted operation<sup>15</sup>. New equipment was needed to carry out this new system of logging. Bulldozers, and logging trucks, although they were already in operation, were greatly improved from the 1970s onwards, with their efficiency, and expense, rising.<sup>16</sup> This gave increased entrepreneurial scope to the local East Gippsland forest workforce. These men were experienced in working locally and were skilled operators of equipment in rugged forest conditions. Whatever else it meant, clear felling represented an exciting opportunity for this group of forest workers. Under the regime of selective logging, loggers had been employed directly by sawmills, using logging equipment owned by the mill and working under supervision. The arrival of clear-felling meant that the logging contractor and log carter became independent operators, with responsibility for their own equipment, and for negotiating logging and cartage work with the sawmills on whom they were now reliant for work. Whilst the jobs were filled from the same pool of local forest workers as previously, they were now invested with a greatly enhanced degree of industrial agency. A new, property owning class had begun to emerge. Its status

<sup>15</sup>For an account of logging practices at around this time see Boucher (1997a, 1997b).

<sup>&</sup>lt;sup>16</sup>The following, 'Australia's Biggest Timber Demonstration' is an article from the *Snowy River Mail*, 31 January 1968, precisely when woodchip operations, and thus clear-felling, were just beginning.

Equipment worth \$1/2 million will be on show at the biggest logging demonstration ever held in Australia to be staged near Eden on Thursday and Friday, February 15,

The demonstration and field day is being organised by the Hardwood Logging Research Section of the Forestry and Timber Bureau of Canberra, in conjunction with Eden logging contractor, Mr Vin Heffernan.

It will be held in the Nadgee State Forest, about 20 miles south of Eden.

Included in the tremendous array of heavy equipment to be shown will be a Japanese bulldozer, a fully imported American Oskosh truck with a Caterpillar diesel engine, valued at \$30,000, numerous other big bulldozers, rubber tyred skidders, loaders and also small items of equipment such as chainsaws.

In all, the equipment will be worth \$1/2 million.

Hundreds of interested persons and spectators from NSW and Victoria are expected at the demonstration.

There will be over 100 representatives of machinery firms engaged in the demonstration of equipment alone.

Representatives of the Forest Services Departments of NSW, Victoria and Tasmania are expected to be present.

The demonstration has been arranged to bring those persons engaged in the timber industry up to date with the latest in falling, loading and hauling of timber.

was nothing if not ambivalent. While logging contractors and log carters owned their own capital they were of fundamentally working class stock. Logging contractors and carters, by virtue of their machines and their labour were productive enterprises yet their ability to be economically productive depended at all turns on sawmillers engaging their services.

As the capital-labour ratio of sawmills inexorably increased, the relative ease with which an individual or a family could enter the sawmilling business that characterised the selective logging period quickly disappeared. Selective logging allowed for a greater degree of specialisation at a small-scale. Distinctive timbers would be milled and marketed by family-operated businesses. At the same time, the occupational separation between sawmills and the forest workforce increased. The work patterns of sawmill workers became much more routinised, mechanised and regulated. With the advent of new capital equipment not only did the number of sawmill workers decrease, but the interaction between employees fell dramatically also. Whereas in the era of sleeper cutters and spot mills the tasks of logging, carting and milling were part of the same job, clear felling brought with it an occupational structure that separated timber workers. As sawmills became more mechanised they inevitably moved closer to towns such as Orbost and Cann River so that major transport networks and electricity grids could be better accessed. Such moves of course required substantial capital investment. This was a major factor in the increasing concentration of capital in fewer and larger mills. The small family-based sawmills that once proliferated in the 1950s and 1960s simply could not survive. The size of harvesting required by clear-felling, and the added costs of road-building and technological advancement meant that milling and selling larger and larger volumes of sawn timber was essential to commercial survival.

The critical point is this: despite the fact that loggers and carters came to own and control more capital themselves (log trucks, bulldozers) and moved further away from their labouring backgrounds, they simultaneously grew more and more separate as an economic class from the sawmillers and woodchip millers by whom they were engaged. Whilst some logging contractors and log carters certainly benefited from the social and economic mobility that their new business arrangements often afforded, *all* logging contractors and log carters moved increasingly further away, in terms of the objective economic conditions that they experienced from sawmillers. The likelihood of a logging contractor becoming a sawmill owner was simply not within the bounds of economic possibility. All of the labour and capital commanded by contractors and carters is committed to the harvest and delivery of log timber to sawmillers. The great bulk of a sawmill's labour and capital is channelled into the production and circulation of sawn timber products for a market outside of East Gippsland. Although both parties interface at the point of employment, their material interests are qualitatively different.

It is also a fundamentally unequal class relationship. Loggers and carters have only their labour to sell to sawmillers and woodchip millers. This labour is dependent on the maintenance of expensive capital equipment. Sawmillers, and woodchip buyers, however, are able to market their products in diverse ways in response to prevailing commercial conditions. The individual logging contractor is but one of their many business costs. Yet for the logging contractor, the sawmiller, as their immediate and sole employer, is everything. The opportunity cost entailed by entering into the logging business should not be underestimated. Logging contractors and log carters must be available to work whenever weather allows it. Thus, they cannot do anything else. Sawmillers, however, are not in any way reliant upon nor beholden to sole logging contractors or carters. Rather, they stand imperiously above a large pool of logging and cartage family businesses, who are in competition with each other for the same work.

Because of the institutionalisation of clear-felling practices from the early 1970s onwards, loggers and log carters were forced to become independent small businesses as opposed to employees of sawmills. As such, they became enmeshed in novel commercial relationships with the banking and finance sector. This tied every operator to several commercial loans, usually payable monthly. Also, it meant the entrenchment of logging and cartage as a family business, run by the husband and wife team. Such businesses are invariably linked to family assets and aspirations; principally the provision of homes and opportunities for a couple's children. Contractors and carters, and their spouses, talk constantly of "payments", and the pressures of having to make them. Not only are these loans large (at least \$250,000), but they are customarily difficult to honour because of the inconsistent nature of logging and the wage system that remunerates this work.

Logging and cartage is paid by "rates" or "piece-wages". This means that payment is determined by the amount of log timber (measured in cubic metres) that is harvested and delivered to the licensees (sawmillers). The introduction of piece-wages was a key factor in the sawmillers' success at removing the responsibilities, costs and risks of clear-felling from themselves and transferring them to contractors and sub-contractors. The two major effects of this system of payment are that logging contractors and log carters lengthen their working days voluntarily, and that there is a general promotion of individualistic behaviour and attitudes on the part of these operators.<sup>17</sup> Because of the vagaries of the weather that impede logging, and log carting, it is impossible to work consistently from week to week and month to month. Thus, the fixed regularity of loan and interest payments is ill-matched with the inconsistent nature of piece-wages, and this fuels the anxiety associated with this type of work.

<sup>&</sup>lt;sup>17</sup>For the best discussion of piece-wages, see Marx's contribution in *Capital* (1946[1889]).

The primary, ongoing concern of logging contractors and log carters is "moving plenty of wood". In this way, by maintaining a high turnover of log timber, a high piece-wage is earned. Those in the logging industry are intensely aware that the work conditions that enable consistent timber extraction, like good weather and good roads, are only ever temporary, and therefore great effort is made to "cut and cart when you can". Aside from frequently working a six-day week, logging crews will also camp close to the logging coupe, so as to make maximum use of daylight hours, and pay close attention to the welfare of logging machinery and of workers, so as to avoid unnecessary stoppages. Such commitment to work necessarily means a great deal of time is spent away from home.

Despite this, the management of logging and cartage is clearly located in the domestic sphere. A logging business is invariably held jointly by a husband and wife, and is linked to other family assets. Commercial loans are customarily secured against home mortgages. Wives have knowledge of the logging business that is unrivalled. Not only are they privy to accounts of their husband's working experiences, but they are also directly responsible for the ongoing management of the business. Banking, insurance matters, registration of equipment, week-to-week economic planning, telephone inquiries and correspondence are the provinces of the contractor's wife. Another area in which contractors' wives play a critical role is in the procurement of workers to fill positions in logging crews on a temporary or long-term basis. Their local knowledge of forest business, and of workers' respective skills and availability, enables them to do this. The discourse surrounding the business of logging and cartage is closely, continually spun within the confines of family homes. It is in this context, where the business of logging and the aspirations of family units become enmeshed, that much of the

<sup>&</sup>lt;sup>18</sup> During the period of my fieldwork, all contractors in the region were male, and I was aware of only two who were not married. These two men ran a logging business together.

commitment of the logging community to improve the quality of their work and lives is generated.

Family life is highly valued by logging contractors and log carters. This is not surprising given the sacrifices loggers routinely make for the family business, in particular the time spent away from home in rugged conditions. Time not spent at work is often wholly committed to family chores and recreation - not only is such time rare, and thus prized, but its timing is never predictable. Logging contractors and log carters are forced to work, or not work, when weather and logging schedules dictate.

### THE POLITICAL CULTURE OF THE LOGGING COMMUNITIES

The key values of the logging community are hard work and self-reliance. These are not merely opinions or attitudes but are the lived realities and practical requirements of logging and cartage work. The length of the working day, the time away from home comforts, and commercial vulnerability are staples of these family businesses. The burdens that such pressures bring can only be ameliorated by hard work, and a slavish commitment to ensuring one's own affairs are in order. As well, these values are amplified by the highly personalised nature of work relationships. The three workers who make up a logging crew work very closely with each other for long periods of time and in distinct isolation from others. Log carters too, must work without company or supervision, and be responsible for the ongoing welfare of their own equipment. This, and the highly personalised character of working relationships are distinctive to the logging community. Sawmill workers, on the other hand, enjoy the company of larger working groups, work shorter hours for fixed wages, have regimented routines and enjoy significant amounts of paid leave. Unlike loggers and carters, who shift from coupe to coupe,

sawmill workers are always based in the same place. The logging community often looks unfavourably on salaried employment, claiming that it offers no incentive to work hard, and that money is earned regardless of results and performances. This is in direct contrast to piece-wages. Also, the piece-wages that loggers earn, unlike the time-wages and salaries of mill workers, are earned without the support of unions and award conditions.

It is through these values of self-reliance and personalised commitment that loggers and carters express their widespread distrust of the formal political process. The seats of political power are located distantly, in the realm of the State and to a lesser extent, the Commonwealth Government. The CFMEU is an important stakeholder in political debates surrounding forestry, conservation and the timber industry more generally. However, before the East Gippsland dispute of 1997-1998, the CFMEU's forestry members were drawn exclusively from the ranks of sawmill and pulp and paper mill workers. These industrial groupings had long proved much more amenable to union organisation, and loggers and carters remained steadfastly outside the union.

A brief summary of the development of an environmental politics in the wake of the establishment of the wood chip industry will indicate just how politically marginalised the logging and cartage sector are. By 1975, the Australian Conservation Foundation (ACF), formed ten years earlier, and the Conservation Council of Victoria (CCV), were campaigning unequivocally against the woodchipping of native forests. The stance of these two bodies was bolstered by the findings of Sylvan and Routley's book, *The Fight for the Forests* (1975) and the growing political profile of the Land Conservation Council (LCC), a Victorian land-use advisory body. Prior to that, in 1972, Premier Hamer was re-elected in

Victoria after promising to create more National Parks and to combat pollution. <sup>19</sup> Political sensitivity to the woodchip issue was such that in 1975, Hamer's conservative state government postponed woodchip sales from the EGFMA, pending further LCC studies. These LCC studies were finally recommenced in 1982, paving the way for woodchip sales to begin. However, the Labor Party won office in Victoria in that same year and immediately imposed a moratorium on woodchip sales from the EGFMA.

Further government discussion of woodchip sales was held over until the East Gippsland Timber Industry Inquiry was conducted in 1984-85. Following that Inquiry, a 100,000 tonne export woodchip trial was announced, subject to an Environmental Impact Statement (EIS). This trial finally went ahead in 1988; eighteen years after the first shipload of woodchips sailed out of Harris-Daishowa Australia at Eden. Also in 1988, the Victorian State Government called for expressions of interest in building a pulp and paper mill in the East Gippsland area. Two major Australian paper companies, APM and North Ltd were invited to prepare competitive feasibility studies. Two days before the due date for these studies, the State Government postponed the process, pending a three to six year Value Added Utilisation Scheme (VAUS) trial. The VAUS trial purported to assess whether the EGFMA, and the residual log timber<sup>20</sup> found within it, was suitable for such a manufacturing project. Although both of these trials were formally concluded in 1995, no further pulp and paper mill developments have been reported. These political decisions confirmed the status of both forestry and conservation as serious political issues, and the subsequent vulnerability of regional forest economies to political whims.

<sup>19</sup> Because log timber from Australian forests was being felled to produce woodchips which were then exported to manufacture paper, a rhetoric of economic nationalism soon came to support growing environmentalist concerns.

growing environmentalist concerns.

20 Residual logs are those logs which are felled in clear-felling harvesting but which are too small or defective for sawmilling. In some logging coupes, residual logs constitute up to 80% of the total volume of log timber. Residual logs are used to produce woodchips. These processes are explained in detail in Chapter 3.

Despite the fact that woodchip sales only began from the EGFMA in 1988, the major transformation in forestry practice had already taken place. Clear-felling, a silvicultural practice designed to produce log timber for both woodchipping and sawmilling, had already been enshrined as the dominant method of harvesting in East Gippsland since 1967. Because this phenomenally expanded the size of forest harvesting, it proved a major impetus in concentrating capital in fewer, and bigger sawmills. As a result, a new breed of loggers had emerged to service this new regime of sawmilling. The new roles of logging and cartage spawned a host of family businesses. These local commercial enterprises became inextricably enmeshed with the political and commercial vagaries of the paper market, the conservation movement, burgeoning forest bureaucracies and the so-called 'urban green vote'.

The cumulative effect that governmental policies have had on the political circumstances of the logging and cartage community should not be underestimated. The Victorian State Government introduced clear felling in the period between 1967 and 1970, anticipating either the export or domestic processing of residual logs from the EGFMA. Despite labyrinthine government processes and political campaigns for and against such industrial developments, only minimal amounts of residual logs have been sold from the EGFMA.<sup>21</sup>

The logging community, headed by small family businesses, has no established relationships with political parties, trade unions or lobby groups. This is for two reasons. Firstly, major political stake-holders themselves have little need to maintain political relationships with a numerically tiny working population, who are, anyway, part of a safe conservative electorate dominated by pastoral and

<sup>&</sup>lt;sup>21</sup>This industrial paralysis has coincided with growing environmental activism in East Gippsland generated from outside the area, manifested in regular blockades of logging coupes and criminal acts of machinery sabotage.

agricultural interests. Secondly, the issues surrounding Victorian forestry have been overwhelmingly colonised by political organisations opposed to native forest logging and wood chipping. The Wilderness Society in Victoria devotes itself almost entirely to the campaign against native forest logging; and it is well supported by Environment Victoria, Friends of the Earth and the Victorian National Parks Association. The practical demands of logging and cartage work make serious political campaigning by the loggers and carters themselves near impossible. It is not merely the constraints of time that make such organisation difficult; it is the multiplicity of issues that impact on the business of logging and cartage. Interest rates, harvesting regulations, fuel prices, environmental activism and forestry policy more generally all make up the material reality of the 'timber struggle', and the families that run logging businesses are realistic about their inability to successfully confront these issues.

Political activism amongst the logging community has been mainly confined to large, and occasional, timber industry-wide protests. Four protests stand out in this regard. In 1984, after a protracted environmentalist forest blockade at which twenty-eight protesters were arrested and logging equipment was sabotaged, a government moratorium was placed on logging in the Rodger River Block, a high-yielding timber area near Orbost. Several hundred Victorian timber workers and their families protested this decision on the steps of Parliament House in Melbourne, but to no avail. Two years later, after the findings of the Ferguson Inquiry postponed pulpwood sales until further studies had been completed, the East Gippsland industry took the novel step of blockading the Princes Highway near Orbost with sixty logging trucks. In 1990, after 6,500 hectares of National Estate forest were removed from an already prepared Wood Utilisation Plan<sup>22</sup> for that season, timber workers again took their protest to the steps of Victorian

<sup>&</sup>lt;sup>22</sup> Wood Utilisation Plans (WUPs) are DNRE schedules for the extraction of log timber. They dictate how and when logging is to be carried out. WUPs are discussed in detail in Chapter 3.

Parliament House. Most recently, in 1995, between six and seven thousand timber workers and their families from Victoria and New South Wales raised their objections to the Federal Government's decision to halt logging in 509 coupes, and blockaded the Commonwealth Parliament in Canberra.

All these political events were similar in character. They were staged in response to high-level political decisions which had the effect of curtailing, either temporarily or permanently, logging access to forest areas. This is the reason why they drew industry-wide support. "Shutting down the bush" or "locking up bush" is disastrous for sawmills and the logging community alike. It forces mills to draw their timber from fewer, more distant, and inferior-quality forests. For many small mills, restrictions on logging access translates to closure and loss of jobs. For the logging community, instability is the key problem. Previously forecast logging schedules have to be revamped and less work ends up being distributed amongst the same number of logging contractors. Even the postponement of logging is critical: if work cannot be done on schedule, payments cannot possibly be met, and further interest on machinery loans accrues. For these reasons, the local industry has been able to summon, at a moment's notice, crowds of disaffected workers and their families to the blockade lines. In opposition to reductions in saw-log allocations and postponement of logging access, a unity of interests has been forged across all the occupational divisions of the timber industry. Sawmillers and logging contractors stood alongside each other in joint protest against a common threat. But this public unity often belied deep-rooted divisions of interest, divisions that were at the root of the labour dispute of 1997-1998.

The key analytical point is this: the general scale of forestry operations, of which clear felling is the signature silvicultural technique, has developed to facilitate pulpwood extraction for the transnational paper market. It is this scale of production that has been the basic cause of environmentalist concern. The type of

forestry production that has dominated the Australian forest landscape in recent decades has not only produced unprecedented volumes of log timber, but has produced new social and political relationships between the public, the industry and government. These relationships are played out in a variety of arenas. For instance, environmentalist concerns have not remained the exclusive province of protest groups. Regulatory procedures (eg. Environmental Impact Statements), democratic political processes (popular protest, "green issue" elections), and institutionalised lobby groups including the National Association of Forest Industries (NAFI), the CFMEU and the ACF all involve the social and political relationships arising out of the transformation of the forestry industries. These interest groups and democratic procedures are not aberrations or unusual obstacles to production. Rather they are very much a part of the process of production. In modern polities such as Australia's, where legislation obliges governments to seek approval for projects concerning public land, they are simply necessary stages of the productive process.

It is my argument that the different political positions that East Gippsland loggers and carters have taken at different points in time are best understood by reference to the developing class relationships that affect the East Gippsland timber industry. The dominant mode of production in East Gippsland is clearly a capitalist mode of production, a truly international set of productive processes which see production and trade span national borders and different regional economies. The expansion of Japanese pulp and paper companies from the 1960s onwards spawned whole new productive regimes in different regions, including East Gippsland. Whilst this capitalist mode of production is clearly international, and productive forces in many different countries are engaged by the paper industry, it would be wrong to suggest that this process is not mediated by domestic or regional political considerations. To the contrary, the expansion of the pulp and paper industry in

the last forty years has been accompanied by a dramatic rise in environmental consciousness.

This is most clearly reflected in the entrenchment of environmental policies and debates in all national and regional governments. Political debates pertaining to forestry have been of particular significance in Australia (Bonyhady 1993, Mercer 1991). More particularly, the government becomes the principal facilitator of timber extraction. By instituting and managing the overall methods (clear felling, forest management plans) and the level of harvesting, the government clearly holds a powerful class position vis-a-vis the regional timber economy. sawmillers, and in turn the logging contractors and carters, the government controls the one thing the entire timber industry relies on for production: access to timber resources. Whilst DNRE and its forestry bureaucrats are an intermediary to the capitalist interests of paper companies, this role involves far more power than the term mediation suggests. DNRE own and control the means of production at the state and regional level. DNRE are not merely administrators or a public agency. They are a politico-administrative class that has real material effects on the livelihoods of rural sawmillers, loggers and carters. The sawmillers and the loggers and carters that tendered for DNRE's contract knew this full well.

#### THE TENDER

Prior to the tender process in 1997 and 1998 political action amongst members of the timber industry had only been in response to higher-level government decisions that threatened the entire industry and pitted it squarely against governments and environmental groups. The dispute of 1997-1998, however, witnessed decidedly different political behaviour. The Victorian State Government put logging and cartage operations in the EGFMA up for tender, thus pitting sawmilling and

logging sectors against each other. By putting the control of logging and cartage operations to tender, the government effectively withdrew from the triangulated relationship between timber sellers (government), timber buyers (sawmillers and woodchip companies) and timber getters (loggers and carters). The government and the environmental movement, the customary foes of the timber industry, were not formally involved in the tender process. Because the outcome of the tender would determine the material conditions of logging and cartage for at least the next three years, it engaged the interests of these local stakeholders most forcefully. It is in the protracted dispute that the tender process generated that, as I go on to demonstrate, the class relations within the timber industry were most powerfully articulated. Before the dynamics of this tender process can be illustrated, the ethnographic conditions of the East Gippsland timber industry must be much more finely drawn. Chapter 3 deals principally with logging whilst the subsequent chapter focuses on log cartage.

The relationships between, on the one hand, sawmillers, and on the other, loggers and carters, involve interests which are decidedly complex and contradictory. Whilst sawmillers are obviously inclined to seek log supply at the cheapest possible price they are not in a position to seek this log timber from a wide variety of sources (as opposed to the Japanese paper companies who are able to source woodchips from a host of international suppliers). The EGFMA is their only source of raw materials and these sawmillers are of a size that would not allow them to expand into larger markets. Their political interests are thus distinctly regional. The appropriate term for these sawmillers would be petty bourgeoisie as they harness valuable capital equipment (milling equipment and logging quota licences) on the regional scale but are unlikely to ever progress significantly beyond it. Contractors and carters are beholden to sawmillers, since sawmillers offer the work that their expensive logging machinery performs. Whilst every contractor shares this need for work that only a sawmiller can satisfy, and endures

a similar work pattern, the relationship between sawmillers and contractors is by no means uniform. Although the logging contractor and his crew are clearly the lowest working strata of the harvesting operation, each contractor is also an independent business operator. Thus, to some extent at least, the relationships between contractor and sawmillers are open to negotiation.

Whilst contractors will never become sawmillers, and vice versa, the interests of both sectors can move closer to, and further away from each other. It is precisely this mobility of interest that makes the political relationships between contractors and sawmillers, and between contractors and contractors, so complex. The contractor is an individual business operator, yet he is also one of many contractors collectively beholden to sawmillers. The pertinent meaning of class struggle in this instance is the struggle to move between these two individual interests, which are often antagonistic. Are one's best interests served by acting collectively as a logging class, or by purporting to pursue narrower family business interests by eschewing such collective tendencies?

### **CONTEMPORARY MARKET CONDITIONS**

The market conditions of forest products, and in particular woodchips, constantly make problematic the East Gippsland logging community's everyday work. Currently, the Japanese woodchip market is in relative decline. The Japanese economy grew only slowly in the early 1990s, with paper and paperboard production dropping by two percent and three percent in 1992 and 1993 respectively. Woodchip prices fell in the light of this downturn, and the Australian market share of the Japanese woodchip imports declined. The timing of these trends is particularly relevant for East Gippsland. After a plethora of governmental reviews and political debates, woodchip sales from the EGFMA were finally begun

in 1988, eighteen years after the first load of woodchips left Eden for Japan, and 21 years after clear felling, which purported to extract logs for both sawmilling and woodchipping, was institutionalised as the central practice of forestry.

The volume of residual logs (that is, logs destined for wood chipping) available for sale was increased, as part of the VAUS trials, in 1992 and 1995, to bring the total residual log volume sold up to around 200,000 cubic metres annually. Nevertheless, this volume is only about twenty percent of the total residual log volume that is harvested annually in the EGFMA as a result of clear felling. This point is crucial: because only a fifth of the residual logs harvested can be sold as residual logs, it is only from a fraction of logging coupes that all the felled timber, both saw-logs and residual logs, is sold. Following the signing of the Regional Forest Agreement in 1997, which removed the export ceiling on woodchips, DNRE offered this remaining volume of residual log timber to prospective buyers. All DNRE literature, press statements and personal admissions are particularly reticent regarding the outcome of this process and more general market conditions for residual logs, apart from acknowledging that conditions are uncertain (DNRE 1996:64-5). The key questions addressed in the next two chapters are thoroughly ethnographic: how are these transnational market conditions actually embodied in forestry policy and bureaucratic procedure? How does this affect those who work the forests?

### **CHAPTER THREE**

### THE BUSINESS OF LOGGING: FROM DISTANT PAPER TO LOCAL PRACTICE

The purpose of this chapter is to demonstrate how at every turn the practical business of logging and cartage is structured by the prevailing class structure of the paper industries. Because the paper economy is international in terms of both production and distribution, the implications this has for class relations at the local ethnographic level needs to be carefully unravelled. This is what I do in both this chapter and in Chapter 4, where the focus shifts to log cartage and log carters. To unravel the material implications that the contemporary paper economy has for logging and cartage in East Gippsland, I pay attention to two different nodes of economic and political power. The first of these is the Japanese domination of the Australian timber industry, and since Chapter Two dealt with this matter in more detail it receives only a brief summary here. The other node of political and economic power that I analyse is the Victorian state government's bureaucratic and state apparatus that facilitates the extraction of log timber for the eventual purpose of paper production. It is this state-directed regime of timber harvesting, enacted through the Department of Natural Resources and Environment (DNRE), that provides the backdrop in front of which all loggers and carters must work.

The expansion of Japanese pulp and paper manufacturing in the 1950s and 1960s gave rise to the Australian export woodchip industry. So rapid was the rise of the woodchip export trade that between 1970 and 1976 five major woodchip mills were established in Australia. Each of these woodchip mills was attached to mooring facilities, and was specifically geared to export to Japan. This extraction of timber on a global capitalist scale fundamentally changed Australian forestry; it not only resulted in legislative changes that transformed forest harvesting and

silviculture, but also prompted new systems of forest management and forest planning. This was necessary to sustain the large-scale logging that paper production depended upon. Such an increased scale of forestry meant that measures had to be found to bring the forest expanse under regimes of rationalised production. Scientific knowledge of silviculture and forestry was brought to bear on the East Gippsland hinterland, and the forests of this region were relentlessly drawn into the web of commercial extraction. In short, hitherto un-logged, old-growth landscapes, with distinctive topographical and botanical qualities, were objectified as raw material for paper production. The forces of production immanent in the forests and roads of East Gippsland were harnessed by the burgeoning pulp and paper industries. This inevitably meant new types of timber production. Sawmillers and woodchippers sourced timber from the same forests and thus their own relations of production now converged on the same patches of forest and within the same politico-bureaucratic apparatus, that is, DNRE.

Two distinct timber economies structure the logging work that is performed in East Gippsland. The older of these two economies is the sawmilling industry which relies upon the extraction of good quality logs that can be used in the production of sawn timber. The markets for such sawn timber products are principally domestic. DNRE applies a log grading formula, as laid down in the *EGFMA Prescriptions* for Forest Operations (DNRE, 1998:9), which determines that the bigger and better quality logs are designated as saw-logs, and those that are smaller and/or of lesser quality are classed as residual logs. Residual logs, colloquially referred to as 'pulp', are used in the production of woodchips, and, in turn, pulp and paper. The two different economies that exploit these respective grades of log timber are radically different.

### THE SAW-LOG ECONOMY OF EAST GIPPSLAND

In 1996-1997 there were twenty sawmills in the EGFMA buying saw-logs. These mills are located in or near ten different East Gippsland townships, but are principally concentrated around the towns Orbost (six mills) and Cann River (five mills). These twenty locally based sawmills buy ninety-seven percent of their log timber from the forests of the EGFMA whilst the remaining timber is extracted from privately owned forests. Whilst the processing capacities of different mills vary, the bulk of timber produced is unseasoned sawn timber. Twelve of these twenty sawmills process only the most basic undried and undressed timbers, known as "green scantling".<sup>23</sup>

The main destinations for sawn timber produced in the EGFMA are the metropolitan building industries of Melbourne, Sydney, and Canberra. Thus the health of the sawmilling industry is closely tied to cycles of domestic building activity, the price of both timber imports and softwoods, and the level of interest rates. Sawmillers from East Gippsland produce fourteen percent of the total Victorian timber output. These sawmillers are able to produce as much as they do and remain commercially successful because they source log timber from forests near to their mills and are able to sell their sawn timber products to markets that are relatively close. The supply of log timber to these sawmills is solely from the EGFMA. Therefore the commercial survival of these East Gippsland sawmillers is reliant upon continuing to find good log timber locally and to extract this timber cheaply. The major transport costs for a sawmiller are not the haulage of sawn timber to Melbourne, Sydney or Canberra but the cartage of logs from coupes to sawmills. Not only are logging coupes significant distances from sawmills, but logs must be transported from coupes in small quantities by large numbers of

<sup>&</sup>lt;sup>23</sup> For more detail, see *CRA East Gippsland Resource and Economics Report* (Commonwealth of Australia 1996a:54).

trucks. Logging trucks can carry only forty tonnes of log timber, which yields a considerably smaller saleable volume, as much of the log is unsuitable for sawn timber production. Hence the cartage of log timber carries a certain degree of 'dead weight'. Sawmillers estimate that up to a third of the total log volume they harvest is discarded or wasted in the milling process. If they are to survive commercially, sawmillers are impelled to seek a continuous supply of logs that incurs the lowest possible labour costs.

### THE RESIDUAL LOG ECONOMY

The economy of which residual logs are a part is very different from that of sawlogs. The extraction of residual logs from the forests of the EGFMA is the first part of a three-stage production process that is international in its span. The second stage involves the production of woodchips from this residual log timber, and its transport to the place of further processing. In East Gippsland, the residual logs are processed in Eden before being shipped to Japan. At the final stage, woodchips are manufactured into the finished articles, paper products, which are then sold to consumer markets. Residual log extraction is far greater than saw-log extraction: the annual volume of saw-log extraction stands at 570,000 cubic metres whilst the residual logs extracted in the same clear-felling process amount to around 900,000 cubic metres (DNRE 1996a: 34). Yet whilst this volume of residual log timber is created in the clear-felling process, only around 200,000 cubic metres are actually sold from the EGFMA. This is partly due to depressed paper market conditions, and partly due to intensified competition between woodchip suppliers (in particular plantation forests). So whilst Harris-Daishowa Australia at Eden is less than 130 kilometres from Orbost, the EGFMA only supplies the woodchip mill around twenty per cent of its log timber. In turn, Harris-Daishowa Australia supply Daishowa Seishi with only five percent of its total raw material feedstock.

Unlike the sawmillers of Orbost, Cann River and Nowa Nowa, who do not extend their saw-log supply beyond the local area, Daishowa Seishi and other paper manufacturers of a similar size increasingly draw their raw materials of production from diverse forest areas. This process has accelerated since the mid-1980s, with Japan starting to source timber from the maturing plantations of Brazil and the Pacific Rim. The inevitable falls in woodchip prices (Mercer 1992) customarily stimulate competition between Australian, Asian and South American suppliers. The existence of such large economies of scale and the prevalence of competition at the lower levels of production is essential to the success of multi-national paper manufacturers and traders. <sup>24</sup>

The crucial point is that the movement of residual logs and woodchips is determined not by collective interests within the woodchip supply areas but by the needs of capital accumulation at the centre, that is, the Japanese paper companies. Because Daishowa Seishi and other companies like it are actively diversifying their sources of supply, small supplier regions like East Gippsland are particularly vulnerable. Minuscule shifts at the productive centre can have significant repercussions at lower levels of production. The 200,000 cubic metres of residual log timber sold from the EGFMA each year constitutes only around one percent of the "raw material feedstock" that Daishowa uses each year in its paper production (HDA 1996:3). Whilst this is undoubtedly a minute and insignificant portion in Daishowa Seishi's terms it clearly is crucial to the livelihood of the East Gippsland forest workforce. The structure of sawn timber production, on the other hand, is markedly different. The twenty mills within the EGFMA process ninety per cent of the saw-logs produced in the EGFMA. Not only are these mills modest in size

<sup>&</sup>lt;sup>24</sup>For a full account see Handa (1988) and Mercer (1995).

and intimately connected to the logging stage of production; they are also singularly reliant on this one regional source of raw material.

# WUPS, LICENCES AND LOGS: OBJECTIFYING THE LOGGING BUSINESS

Sawmillers and woodchip companies have wood supply contracts with DNRE. All sawmillers hold fifteen-year licences for specified volumes of saw-log timber 25, and, as well as these licences, two sawmills in the EGFMA buy 200,000 cubic metres of residual log timber under long-term licence. 26 In addition, 30,000 cubic metres of residual log timber and minimal quantities of specialty timbers are sold from the EGFMA under tender licences, the conditions of which are negotiated annually. Sawmillers have designated volumes of particular timber grades licensed to them. Because licensed volumes are delivered over the three year period of a WUP, sawmillers endeavour to source different grades and quantities of timber at different times, depending on immediate market conditions. To uphold its commercial obligations to supply log timber to licensees DNRE establishes comprehensive three-year Wood Utilisation Plans (WUPs) which contain a schedule of the coupes from which licensed volumes of log timber are to be sourced.

The logging coupe is the central productive unit of contemporary forestry. By parcelling the forest estate into logging coupes, the economic forces of production – the timber and roads – can be harnessed to a set of productive economic relations,

<sup>&</sup>lt;sup>25</sup>The total annual licensed volume for saw-logs is 570 000 cubic metres.

<sup>&</sup>lt;sup>26</sup> These two sawmillers (Andrews and Humphrys) buy residual logs which they process into woodchips which are then sold to Harris-Daishowa Australia in Eden. More details of these arrangements can be found in Chapter Five.

those being the sawmilling and woodchipping industries. Forestry policies must acknowledge these topographical realities.

For instance, the EGFMA is a low-yielding saw-log area; the majority of the log timber extracted is of residual log rather than saw-log quality. In order to ensure that harvesting reflects this pattern of forest density, DNRE insists that sawmillers source at least fifty percent of their saw-log volumes from coupes that yield less than an average of forty cubic metres per hectare. The remaining portion of licensed saw-log volume is extracted from higher-density coupes that are estimated to yield more than an average of forty cubic metres per hectare. Also, Australian state forest-harvesting policies are bound by a political commitment that arose out of the National Forest Policy Statement (NFPS) in 1992. In the NFPS, state government forest agencies agreed to insist that all coupes yield at least twenty-five cubic metres of saw-logs per hectare. Below this level of saw-log density, harvesting is of extremely marginal viability. In coupes where the saw-log density fails to reach this level, and yet where coupes have already been scheduled in Wood Utilisation Plans, provisions are made for harvesting of residual logs.

In summary then, DNRE dictates that at least half the coupes in operation be low-volume coupes, yielding less than forty cubic metres of saw-logs per hectare. Only very low-volume coupes which struggle to make the twenty-five cubic metres per hectare threshold have provisions for residual log harvesting included in their logging plans. The great majority of coupes are saw-log only coupes, in which both saw-logs and residual logs are felled but only the saw-logs are sold. The residual logs remain on the forest floor. So, as the saw-log density of a coupe decreases, logging becomes more and more uneconomical. This is especially so when steep slopes necessarily inflate the fuel costs of logging machinery, and where coupes have a low total saw-log volume. Low total volume coupes make things difficult for logging crews because the cost in time and fuel of coupe preparation work

increases relative to the yield total. Piece-wages dictate that logging crews get paid only for the cubic metres that they harvest. Piece-wages do not pay for the time spent on the preparatory work of building the landing, preparing snig tracks and clearing scrub. Thus, in low-volume coupes logging crews find themselves doing more work for less wages.

### LOGGING: THE STRUGGLE TO BE PRODUCTIVE

DNRE's forestry practices are bound by legislative strictures, bureaucratic procedures and market conditions, namely, the NFPS, WUPs and demand for residual log timber. Thus the struggle of loggers to be productive, and to work efficiently is largely due to the necessity to comply with a complex array of regulatory and policy measures that are part and parcel of the commercialisation and politicisation of forests. For the production of logs is about much more than physically extracting timber. It is about adhering to an administrative regime that is the accumulation of commercial, environmental and political imperatives. It is through logging coupes, and logging work, that all these interests course.

Logging is carried out by a logging contractor, a generic term that refers to the proprietor of a logging business. Logging businesses in the East Gippsland area are all small family enterprises. In the 1996-1997 logging season twenty-three logging contractors worked in the EGFMA. Only four of these contractors operated more than one logging crew, and of these four, two *did not* work in one of their logging crews in a full-time capacity. Logging crews work notoriously long hours: crews make optimal use of daylight hours by working from dawn to sunset, and they religiously eschew public holidays or long weekends.

Logging contractors are engaged by sawmillers to harvest and deliver licensed saw-log volumes. Before the introduction of Group Logging in 1991,<sup>27</sup> logging contractors typically worked for the one sawmill, and were responsible for the entire logging and cartage operation. Logging contractors would perform the logging work in the coupe and sub-contract log carters to deliver log timber to sawmills. The significance of this particular relationship is further elaborated in the following chapter.

The work of logging consists of three component parts, falling, snigging, and loading, and these processes all revolve around the coupe landing. Logs are snigged to the landing and it is here that the logs are then barked, graded and loaded onto trucks. Three workers, using three different machines, carry out these tasks. The faller cuts down trees with a chainsaw, the felled trees are snigged to the landing by the bulldozer driver where they are then barked, cut to size and loaded by the excavator operator. What is most noticeable about the operation is the interdependence between the different workers and their machines.

Whilst the individual expertise, physical endurance and skill level required by each job is considerable, especially in the case of falling, the most influential factor in determining the success of a logging crew is the ability of its workers to communicate effectively with each other. Importantly, the bulk of this communication is non-verbal. Such communications is a necessity as loggers work considerable distances away from each other, and are mostly unable to hear each other above the noise of logging machinery. It is not my purpose here to discuss the intricacies of logging skills *per se*; rather, I will demonstrate the way in which logging efficiency is dependent on the skilful interactions between different

<sup>&</sup>lt;sup>27</sup>Chapter Five is substantially devoted to an analysis of the politics of Group Logging.

logging workers. It is in such personal interactions that the pressures and anxieties engendered by the wider relations of production are most keenly felt.

One instance in which the cooperation between the faller and the bulldozer driver is critically important occurs immediately after the faller fells trees. Whilst it is important for trees to be felled in such a way that enables the bulldozer driver to take a short snigging route to the landing, it is more critical for trees to be felled close to each other so that several logs can be snigged at once. To snig logs, the bulldozer driver attaches logs to his machine with a winch apparatus. A variation of the winch found on many logging bulldozers is the grapple, a hydraulic clamp that grips up to three logs at once. Attaching both these pieces of apparatus requires the bulldozer driver to dismount from his machine, a time-consuming exercise made a great deal easier if the faller has felled trees in parallel lines. Extracting log timber as quickly as possible is at all times the driving imperative of the logging crew.

But nowhere are the market pressures of the forestry on the logging crew so forcefully and repeatedly felt as in the crew's need to distinguish between saw-logs and residual logs. Whilst saw-logs and residual logs are found in the same logging coupes, the economies in which they are respectively implicated are very different. As explained in Chapter Two, contemporary market conditions are such that little residual log timber is purchased from the EGFMA; in fact only around twenty percent of the residual log timber that becomes available through clear felling each year is sold. DNRE policy dictates that the residual log volumes are harvested only from those coupes with low-total yields. Logging crews thus extract only saw-logs from the majority of coupes, and harvesting such coupes economically is always a challenge for loggers. The greatest obstacle to efficient logging in these coupes is the problem of distinguishing between saw-logs and residual logs. It is crucial that logging workers make this distinction quickly, otherwise they waste

time snigging logs, which they eventually discover to be residual, and which therefore cannot be sold to sawmills. Costly in terms of fuel and labour power, it also wastes precious time.

The difference between saw-logs and residual logs is not immediately evident. Grades are determined according to the log's size and quality, which cannot be ascertained without inspection. The minimum length for a saw log is 2.7 metres, which means a tree will contain several log lengths, and both a residual log and a saw-log may be found in the same tree. After felling a tree, a faller will 'butt' it by cutting off the base to check its quality. It is the quickness with which the results of this butting process can be communicated that is integral to a crew's efficiency.

For example, a faller had dropped a big tree to the ground and had cut it into three sections, each of legitimate log size. He had cut off both the 'butt' and the 'head' to check the log's quality. As soon as he had done this he communicated to the bulldozer driver, who had no way of hearing him in the bulldozer cabin, which logs were saw-logs, and therefore had to be snigged, and which were residual logs and thus were to be left on the forest floor. The faller touched his buttocks and gave a thumbs-down signal, to say that the butt of the tree was to be left there. He then touched his stomach, tapped his head and gave the thumbs-up sign. The bulldozer driver promptly snigged the 'head' and the 'guts' to the landing whilst the faller was already well into falling the next patch of bush.

Because snigging a felled tree up to the landing consumes both time and fuel it is only worthwhile if what is snigged proves to be merchantable timber. Fallers in particular must go to considerable lengths to ascertain a felled tree's economic worth. The pipe size, the extent of disease and physical defects are all factors in determining a log's grade: fallers routinely inspect all such features as soon as they have felled a tree.

Ascertaining the status of log timber is made more difficult because several logs can be cut from the same tree. While the minimum length for a saw log is 2.7 metres, most felled trees are well in excess of ten metres. A felled tree that is defective at one end may be of good quality at the other. To determine how much of a tree is of saw-log quality, the faller will 'butt' the tree. Butting involves cutting off a slice of the tree trunk so that the interior can be examined. If the tree appears defective after two or three butts, then the faller will continue to butt the trunk in the hope that some 2.7metre length of merchantable timber can be found. Such a quest is often frustrated, with the tree butted down to a 2.7metre length, only to be found defective. In this event, the tree is marked as a 'cull'. The butting process is often referred to as "heart-breaking", since the time, energy and fuel consumed by butting yields no substantial return. A minimal cull rate, designed to cover some minor chainsaw costs, is paid to the faller by DNRE. This cull rate is pejoratively referred to as 'charity money' or 'loose change'.

### THE ANXIETY OF LOGGING

The market conditions of the timber industries that logging supplies exert a constant pressure on logging crews to extract units of log timber quickly and consistently. Loggers are constantly railing against the tyranny of time. This occupational anxiety is a great source of fatigue, and noone feels this more intensely than the faller. Loggers repeatedly lament that falling is a younger man's

game, for two reasons. Firstly, falling is particularly arduous: it places great pressure on the back and legs, since the weight of the chainsaw over the distances travelled by fallers is particularly taxing. Most profoundly tiring, secondly, is the constant spectre of danger, the fear of injury and death. Death in forest work is common: every bush worker has been close to someone killed in a forest accident. Many of these accidents involve fallers. Most current fallers have been injured in coupe accidents and often carry these injuries whilst continuing to work. When it becomes known that a faller is retiring, immediate family, more distant relatives, and friends customarily express relief. Wives often pressure their husbands to give falling away, despite the high rates of pay it attracts as compared to bulldozer or excavator jobs. Fallers often move out of this sphere, not because of a single accident or injury, but due to a consistent accumulation of minor injuries and growing anxiety. One faller, David Hodge, was getting out at twenty-eight years of age and taking up a job on an excavator because, as he said:

It was all right when I was younger but now I've got a six-month old baby boy at home for me. It's a bit different ever since that's happened. There's no way I'm gettin' hit again if I can help it.

Hodge's knowledge of other falling injuries and his own experience of accidents and anxious moments combined to give him a calculated view of the pros and cons of the falling job. Whilst similar explanations for quitting are made and are largely respected by fellow loggers, many fallers continue working well into their late thirties and forties. The logging contractor of the crew Hodge was leaving, Stuart Fitzgerald, himself an ex-faller, had organised for another faller to take Hodge's place. Two days before the new faller was about to start, he was hit by a limb and was not able to take his position until some four months later. Eventually an interim faller was found from the Central Highlands area. He had finished his

logging season <sup>28</sup> and took up a temporary position to try and earn back some of the money he had lost as a result of a work injury suffered the previous summer.

The reliance of the logging contractor and the crew on fallers is acute. Good fallers are scarce, and their strength, fitness and skill are crucial to a successful logging operation. Physical dangers are most apparent in their job, though, and these force many fallers into early retirement. Logging contractors are well aware of these dangers, as many of them are ex-fallers whose accumulated experience with danger, and the increased responsibilities and pressures of family and business, have persuaded them to quit. Logging contractors find themselves in a bind: they need fallers, but they can rarely afford to spend time teaching an inexperienced recruit the required skills. This means contractors draw on an ever shrinking pool of reliable fallers, as this most arduous and accident-prone job is the most difficult to learn in the time-constrained atmosphere of the logging coupe.

Recruitment of fallers from different logging areas in New South Wales, Western Australia and other parts of Victoria is a necessity for logging contractors. This method of recruitment has its own problems: the fallers are inevitably less familiar with the terrain and species particular to East Gippsland, and contractors often have to wait until a non-local faller finishes his own logging season before he becomes available. The quality of these fallers is variable and cannot be readily gauged until they actually begin working. Loggers from outside of the East Gippsland area are therefore welcomed reservedly. Local loggers are proud of, and parochial about, the distinctiveness of the forest topography with which they have intimate experience. The East Gippsland forest landscape, and the particular skills that are required to work it, are rightfully regarded as demanding. The skills

<sup>&</sup>lt;sup>28</sup>Because of the high level of rainfall, logging only takes place in the Central Highlands for seven months a year.

required to work these forests are hard-earned, and so for outsiders to be respected as loggers they must prove their worth in the local forests. Reputations, whatever they are and wherever they come from, mean little.

# WORKING WITH, AND AROUND, DNRE REGULATIONS

As well as the pressure to extract log timber rapidly and efficiently, there is the need to comply with the requirements of forest legislation. At every turn, the work of the logging crew is enmeshed in a web of legislative and bureaucratic regulations. The most obvious restrictions on logging are the numerous 'no-go' zones that are included in the lay-out of every logging coupe. The design of coupes invariably includes wild life corridors, buffer zones and restrictions on logging in water catchment areas. Such restrictions are part of a codified harvesting policy<sup>29</sup> and they have to be implemented in every coupe. DNRE employees are responsible for the supervision of logging crews and any changes to prescribed coupe plans need to be negotiated with DNRE officials.

Adhering to such bureaucratic stipulation is a continual struggle for logging crews as it inevitably means a slowing down of a crew's work rate to at least be seen to comply with harvesting policy. However, some crews will knowingly breach these DNRE restrictions. This will be done intentionally when the crew is keen to get good timber that is in a prescribed protection zone, usually when the crew is dissatisfied with the overall volume and quality of the wood in the coupe. Such deliberate actions can be plausibly explained as accidental, and will sometimes

<sup>&</sup>lt;sup>29</sup> See DCNR's Code of Forest Practices (1988) for details on harvesting restrictions.

result in DNRE approving more logging in the protected area so that the original transgression can be rectified. Breaches of regulations are risky though: penalty points are given to those loggers who cannot justify their actions as being accidental. Accumulation of a certain number of points can result in suspension from work for an individual worker or for the whole crew. Such 'down-time' is obviously costly. Not surprisingly, it is standard practice for many workers to dissemble about "who did what" so as to share penalty points around so that the crew can continue to work. So whilst harvesting regulations often are costly obstacles to profitable logging, logging crews endeavour to manipulate forest-harvesting regulations in ways that maximise both their labour-time and their access to good quality saw-logs. When the weather is wet and the availability of labour time becomes more critical, the strategies to maximise this time become more innovative.

An example of such a strategy that I observed involved a logging crew's faller deliberately felling a row of trees across the road leading up to the coupe landing. This is often done when the road is embanked by steep slopes. The faller will fell trees downwards across the road instead of trying to fell them 'uphill'. In such cases the faller can reasonably argue that to have felled them back up the hill would have been dangerous. The bulldozer driver then snigged the trees that line the road back along the coupe road to the landing, to create a sweeping-type motion over the road surface. This creates a significant disturbance such that blading of the road is required. Blading is performed by the bulldozer driver and has the result of creating a road surface that enables log trucks to access the coupe landing. This is of course in the interests of logging contractors as unless trucks get into the coupe and cart logs out to sawmills, then no piece-wages are earned. The Code of Forest Practices (DCNR 1988) prohibits logging crews from blading the road. However when DNRE officials challenge such actions of loggers,

persuasive arguments are put forward. A faller has strong occupational health and safety grounds on which to justify his actions: to fell trees up the road embankment would be dangerous as they could slip down on to the road without notice. A bulldozer driver cannot leave logs on the road as they prohibit his access to other areas of the coupe. And once these trees have been snigged up to the landing, sufficient disturbance to the road surface is created to warrant blading. Andrew Lange, a faller, admitted to me that, "You've always got to save trees near the road for a rainy day". This was a clear acknowledgement of the way in which good logging crews, although they are clearly constrained by harvesting regulations, successfully manipulate such constraints to enable exploitation of the immediate working conditions that the topography of the logging coupe and the weather create.

### RELATIONS IN THE LOGGING CAMP

Although the bulk of logging is carried out amidst the noise of the excavator, the bulldozer and the chainsaw and most communication between workers is non-verbal, loggers spend considerable amounts of time talking to each other. Crews generally have three work breaks throughout the course of the day during which food and drink is consumed and the men then talk about the progress of logging and regale each other with accounts of previous events. Rumours regarding the development of a residual log market are commonly spread and just a mention of the word 'pulp' achieves resonance with all loggers. Logging crews know too well that the expansion of the pulpwood market would make the logging exercise much simpler and much more profitable. They are also aware, however, that sawmillers

and bush bosses<sup>30</sup> have a vested interest in propagating such rumours and that these rumours are yet to materialise in either DNRE policies or in the commercial undertakings of woodchip companies.

Because logging often takes place a considerable distance away from loggers and their family homes, daily travel to the logging coupe is often too inefficient to be worthwhile. For this reason many logging crews camp. The time spent in these camp settings is considerable. Work finishes at five PM at the earliest, and workers will then return to their camps and relax over a few drinks. Conversation invariably centres on the day's work: how many loads were extracted, what the conditions were like, what the quality of logs was. Many conversations will also be devoted to a summary of the movements of log carters: who arrived and at what time, what news they had from the mills to which logs were being carted, and from other coupes from which they had carted logs. It is a chance to construct some sort of overview of the local industry and to chart any unusual trends or anomalies. In this way, an extensive network of information is spread around the bush; it constantly assesses the performance, affability and compatibility of loggers and logging contractors.

Good logging contractors well understand the importance of making camping as easy as possible. They may have a furnished caravan for their crew to stay in and will often take it upon themselves to cook good meals every night. Contractors will often rent out a house near to the logging coupe should one be available, and the contractor will meet the rental and associated costs. Some crews do not get on well together, and consequently do not stay together very long. Other crews get on exceptionally well, cook great meals for each other and enjoy different aspects of

<sup>&</sup>lt;sup>30</sup> 'Bush Boss' is the colloquial term used to describe the field officers whom sawmills employ. Bush bosses oversee the operations of logging contractors who are engaged by sawmillers.

bush experience such as fishing and hunting. Thursday nights are traditionally drinking nights in camps, and the two-drink limit reserved for the early weeknights is well exceeded by most. When crews are working in close proximity to each other, as happens in the Bendoc and Delegate areas, they often meet at the nearest pub for a weekly drinking session.

But whilst camping involves men staying together, away from their family homes, a distinct consciousness of the logger's immediate family unit is invariably displayed. Loggers routinely ring their wives after finishing a day's work and, to facilitate this, telephones are often connected to farmhouses for periods as short as three weeks. Many loggers travel home for one night in the middle of the week, driving back by sunrise the following morning. Photographs of a logger's children often feature in the camps and several men showed me the photographs of their children that they carried with them whilst working. While the men are camping, their womenfolk are invariably up-to-date with the progress of the logging. They are aware of the quality of the coupe, any incidences of conservationist blockades, log truck movements and DNRE details. This information circulates around the town area through these women. The post office, the banks, hardware stores, schools, supermarkets and offices are places where this information is disseminated and elaborated.

#### **CONCLUSION**

This chapter has demonstrated how the business of logging in the EGFMA is at every turn shaped by both the prevailing market conditions of the forest products

<sup>&</sup>lt;sup>31</sup>Mobile phones were not popular during my fieldwork as they were very rarely in range.

industries, and the harvesting policies with which loggers are required to comply. The most pertinent example of this is the difficulty loggers experience in distinguishing between saw-logs and residual logs. Forestry policy, which revolves around the coupe as the basic unit of harvesting and forest planning, dictates that saw-logs and residual logs be drawn from the same coupe. In the EGFMA, where the bulk of the residual log timber is left unsold on the forest floor, logging crews must spend considerable time, fuel and effort ascertaining the worth of felled trees. This challenges the technical and communication skills of logging crews and further exacerbates the commercial pressures felt by logging businesses.

It demonstrates most clearly that logging contractors, since the introduction of clear felling, have occupied an increasingly compromising position. They log for two masters: local sawmillers but also foreign woodchip companies. DNRE, through the implementation of Wood Utilisation Plans, ensure that the contracts for the sale of log timber that both sawmillers and woodchippers hold are honoured. Loggers must work the vagaries of the EGFMA's forests to ensure that these obligations are met. All the while, logging contractors have their own set of commercial obligations to meet. Mortgage payments, the wages of loggers, loans and interest repayments on logging machinery and fuel costs are all expenses whose financial rhythms are constant and unending. Whilst the contracts of sale between DNRE and both sawmillers and woodchip companies ensure that certain volumes of log timber are provided within certain time periods, the families that run logging businesses enjoy no such certainties about their own income.

A legitimate basis for temporary or occasional class mobilisation is thus inscribed in daily logging practices. The potential for the collective class interests of loggers to be expressed exists because all logging contractors ultimately experience the conditions. Whilst they might work considerable distances apart from one another, and in different physical circumstances, all logging work is contingent on the same

economic and political factors. The structure of the Wood Utilisation Plan (WUP), the level of woodchip harvesting and the commercial pressures brought to bear by the prevailing rates of interest are inescapable material facts of every logging contractor's lot. All logging contractors, however different the particulars of their circumstances might be, are working to ensure that their small businesses survive and their families get by. This common basic imperative means that contractors are similarly vulnerable to changes in political and economic circumstances. This is the premise on which a class interest can be mobilised. The political protests that I summarised in Chapter Two bear testimony to this.

# CHAPTER FOUR

# THE BUSINESS OF LOG CARTAGE: WORKING AGAINST TIME

The previous chapter showed how the expansion of forest harvesting brought about by the woodchip industry and clear-felling has institutionalised a harvesting system that revolves around the productive unit of the forest coupe. Coupes are the basic units of a rationalised system of forestry that endeavours to accommodate the interests of woodchippers and sawmillers. This rationalised system of timber extraction exists so as to mediate, on the one hand, the vagaries of the forest resource, and the relentless capitalist drive of pulp and paper companies on the other. The methods of timber extraction that are legally and administratively sanctioned by the policies of state and federal governments are the basic frameworks in which the relations of production of the regional timber industry are generated. Logging is at every moment enmeshed, through the workplace of the logging coupe, with the capitalist market imperatives of paper and sawn timber production. This is no less the case in the work of log cartage.

Log cartage is work that is characterised by stress and uncertainty. The pressures of honouring financial business commitments, the vagaries of the weather and of mechanical equipment, and bureaucratic restrictions are all factors that produce a real occupational anxiety. It is only through detailed ethnographic description that an understanding of the position of log carters within such industrial relationships can be arrived at. I concentrate on depicting the cartage workforce and describing the particular workplace conditions which carters experience, whilst also reflecting upon the political community that these conditions give rise to. Analysing the

politics of the relationships amongst loggers and carters is essential to an understanding of the unfolding of the industrial dispute of 1997-1998.

#### THE LOG CARTAGE WORKFORCE

Each logging crew employs two carters, who are employed to deliver logs from coupes to sawmills and woodchip facilities. Whilst most carters cart logs for a number of different logging contractors at different stages of a logging season, a carter's primary responsibility and livelihood is invariably tied to one logging contractor. Despite this degree of economic reliance, no formal contractual obligations bind individual logging contractors and log carters. Carters have not been able to rely on legal agreements or other such assurances in trying to claim an assured volume of work. Instead they must rely upon the decrees of logging contractors. This is why Tender EG971 was of such interest to the East Gippsland logging and cartage workforce: it foreshadowed the formal contracting of all logging and cartage work. Such a prospect was of much interest to carters because it hinted at the possibility that carters might secure some assurances with regard to their own working conditions. I now illustrate the working conditions that existed prior to the award of a contract by tender in 1997.

Log cartage consists not of a single long trip or a return trip, but of a series of shorter trips between logging coupes. Unlike interstate transporters and general haulers, log carters make several trips in the course of a day. These trips are sometimes as short as thirty kilometres, even the longest round trips total only 200 kilometres. The routes of cartage trips change constantly according to the varying location of the coupe and the priority for log carters is always to complete as many loads as possible in a day. In contrast to an inter-state transporter, for whom completing one trip is a major piece of work, success for a log carter is achieved by

stringing together a succession of loads consistently. To this end, log carters work extremely long days. It is usual for a log carter to leave for work well before first light so as to be at the logging coupe and loaded just as light breaks. Since it is illegal to cart logs in the dark, carters will try to time their loads so that they arrive at the sawmill just as darkness is falling. This ensures that the most precious resource for carters - dry, daylight time - is not wasted.

Log carters spend the great bulk of their working day alone. Whilst carters liaise with logging crews and sawmills at either end of a cartage trip, these interactions punctuate a day alone on the roads of the EGFMA. This physical aloneness is matched by the economic independence of carters. There are fifty-one log trucks operating in the EGFMA, and forty-four different local log cartage contractors own them. Forty-two of these forty-four cartage contractors have no other trucks or logging businesses besides their one log truck. Thus the workforce is truly dominated by independent owner-operators. This is reflected in the appearance and the character of these log trucks. The brands, makes, models and ages of the trucks vary a great deal and no two trucks are the same. These trucks also clearly bear very personalised markings, such as unique painting styles, original artwork, nicknames, slogans and the name of the carter's business or his family.

East Gippsland log carters have characteristically been a fragmented group of independent operators, and the scale of their operations is small. The principal reasons for the small-scale of this industry are the topography and the geographical position of East Gippsland. The EGFMA is simply too rugged and too isolated an area to attract the investment of large transport companies. Not only is the total size of the industry relatively small but the overheads that log cartage carries are high. The poor quality of the road network makes transport comparatively expensive and dictates that the capital value of the log truck is more quickly eroded than it would be on better quality roads. The unavoidable costs of log cartage

arising from the maintenance, the repair and the rebuilding of trucks inexorably diminish the profit margins of the cartage business. As the size of cartage operation remains small, so does the scope for profitable returns. The taxing nature of the terrain wears trucks out quickly (particularly the truck's gearbox and its differential), and most log carters find it difficult to replace their old trucks with new ones. Instead, they constantly rebuild or replace their truck's engine. It is only because larger-sized transport operators are *not* attracted to East Gippsland that these local entrepreneurs are able to continue their work with such ageing, constantly repaired equipment. This explains the preponderance of old log trucks in the EGFMA. The carters who operate these trucks are, as a matter of necessity, small independent operators.

Although independent, log carters in East Gippsland are economically vulnerable. The primary reason for their vulnerability is that log cartage takes place entirely on the roads of the EGFMA, and is at all turns affected by the poor quality of the roads and the more general constraints of this road network. Of the major roads that encircle the EGFMA, the Princes Highway, the Bonang Highway and the Monaro Highway, only the Princes Highway is totally sealed. The major forest roads, Errinundra, Goolengook, Combiembar, Murrungowar and are predominantly unsealed and in many parts can accommodate only one truck. These roads make for slow travel and are readily affected by wet weather; the surfaces degrade rapidly, even after only moderate showers. The flat sections of the forest roads are usually still negotiable by trucks in wet weather but the undulating and hilly sections quickly become impassable. Adjoining these permanent forest roads is the temporary roading network that is built to access coupes and which stays in existence for between two and five years.

Because of their impermanent nature, these roads are particularly vulnerable to the effects of wet weather, and are also more difficult for drivers to negotiate because they are invariably a single lane in width. DNRE rarely has enough resources to

construct and maintain roads<sup>32</sup> at a pace commensurate with the rhythms of logging and cartage. Log carters are especially frustrated by such inefficiency.

# WORKING WITHOUT TALKING AND TALKING ABOUT WORK: INDIVIDUAL CARTERS BECOME COMMUNITY

Talk is a major feature of log carting. The roading network in the EGFMA is a web of inter-connecting roads, with one major road, the Princes Highway, connecting all these roads to the different sawmills. These confines require carters to talk to each other and the two-way radio network that links the different trucks and logging contractors allows this. Much of the talk is necessitated by the fact that these drivers do travel the same roads.

The main necessity is for carters to indicate to other drivers their approximate whereabouts on the road. Forest roads are too narrow for two trucks to comfortably pass each other. It is essential that one truck pulls over to an embankment or a clearing and waits for the other to come through, and right-of-way is given to the truck loaded with logs. A truck with a jinker full of logs is not easy to control and it deserves more space on the road. Un-loaded trucks travel with their jinkers folded, taking up about a third of the room of a loaded truck. The more manoeuvrable gives way to the less.

On the first trip of the day up to the logging coupe, drivers will not be sure of which carters are ahead of them, nor will they be later in the day when the different distances to different mills will have altered the order several times. Hence a carter

<sup>&</sup>lt;sup>32</sup>Building and maintaining roads requires equipment such as graders, bulldozers and tip trucks. Not only are these resources in short supply at DNRE but they are necessarily slow and cumbersome to transport to logging coupes. Frequently, road work is required in several areas at once and the difficulty of transporting equipment means that most of these needs must remain unsatisfied for significant lengths of time.

will designate his position over the two-way radio in relation to a minor road or a bridge, a farm paddock or some other landmark. Knowledge and experience of the road is embedded not just in these designations but also in the way that they are heard, that is, in the way in which a driver receiving the message will be able to make a clear connection between that position and his own.

It is not just the forest roading network that keeps carters in proximity with each other. The Princes Highway gathers log carters together on the same 110-kilometre stretch between Cann River and Nowa Nowa: there are no alternative routes to sawmills. Monier, Smith Brothers, Henry's, Andrews Newmerella, Andrews Waygara, Humphrys Waygara and the three Nowa Nowa mills are all on, or very near, the Princes Highway, and all the sawmills based around Cann River are within a few hundred metres of it. All log trucks carting to mills in each of these three townships will see each other.

Communication between log carters on the Princes Highway is necessary so that log carters can be seen to stay within traffic laws and regulations. The Road Traffic Authority (RTA) is a regular presence on the Princes Highway between Nowa Nowa and Eden, as are many police vehicles. Log trucks are authorised to carry only forty tonnes of log timber, and avoiding being caught over-loaded is a primary concern of all carters. The incentives to over-load are strong; since log carters are paid per cubic metre of log timber that they deliver it is clearly within their interests to deliver as great a quantity of log timber per load as they are able to get away with. According to many drivers, trucks could take much heavier loads in the mid-to-late 1980s, as the RTA was not nearly the presence it is in the late 1990s, and the penalties for over-loading were far less severe. Matthew Sweet laments the tighter regulation that exists in the late 1990s as compared to the mid 1980s: "You gotta pay something like \$200 for every tonne you're over the limit these days. We were ten tonne over all the time back then".

If a carter spots a police car or a RTA vehicle he will inform others. Drivers will frequently turn off the Highway and wait on a back road until the authorities pass. When it is safe enough to re-emerge they will continue their journey to the mill. These strategies are customarily embellished when log carters have opportunity to talk to each other at greater length, in public bars, at the truck sheds where carters perform maintenance on their machines, and on other social occasions.

While the legal load limit is forty tonnes, there is no way of measuring the weight of logs at the coupe. Truck drivers tend to work on the rough formula that around twenty-four cubic metres of log timber equals forty tonnes. Hence, when the excavator operator is busy loading the jinker, the driver is busy calculating the aggregate cubic metreage of the load and working out how much more volume, if any, is needed to get close to twenty-four cubic metres. The weight of different species of trees varies a lot, and drier trees will weigh a lot less than green trees. Truck drivers talk amongst themselves about the methods they find the most effective in estimating the weight of a load. One case was detailed to me of a carter hauling a load of Alpine Ash, a dry, higher altitude species, which totalled thirty-three cubic metres. He was pulled over by the RTA, weighed, and still came in under the tonnage limit.

Another important topic of discussion between log carters during a working day is the likelihood of carting extra loads. Although carters rely upon one logging contractor to provide them with logs, on occasion they cart logs for other contractors. A logging crew, at particular times, will produce more logs than its regular two carters are capable of delivering to sawmills. In these situations contractors are keen to get extra trucks up to the coupe as delivery of more loads to sawmills will increase the piece-wages that they receive.

Log trucks and the logging contractor's four-wheel drive vehicle are linked by a two-way radio system so those carters can always be informed of any loads available from coupes. A carter who is alert and opportunistic can get loads from a number of different places. The weather and road conditions will vary in different logging areas, and when carting is impossible in some areas, it will be possible in others. These extra loads become crucial to the success of a cartage business. As Adam Rossi remarked to me when I asked him whether it was possible to pick up extra loads:

You can pick up work, but not only that, you've got to pick up work. It's part of business. No one's going to make money for you; you've got to do it yourself. That's transport industry, full stop. There's a certain aspect of it that's granted. The nature of a truck is that you can go anywhere and cart off anyone. With machinery like a 'dozer, you're stuck in one area.

For carters the constant problem is a lack of available carting days. The uncertainty of this situation is a point of mutual significance for all fifty-one log carters in the EGFMA: inclement weather, poor roads and complex relationships with logging contractors are contingencies that are shared by the cartage community. The mutual experience of such conditions is elaborated and amplified by the constant mundane interactions that take place between trucks and their drivers through the course of everyday working life. The community of log carters is fundamentally brought into being through these every conversations, and the significance of this exchange should not be underestimated in the light of the eventual political unity of log carters that was a feature of the industrial dispute of 1997-1998.

# THE VALUE OF LOGGING WORK

It is difficult to quantify the monetary value of a log cartage job. The weather and road conditions ensure that there is a necessary degree of unpredictability to the

volume of cartage work that can be performed in any set period of time. Piece-wages dictate that the level of pay reflects this unpredictability. As well as these everyday factors, a more general spectre of uncertainty hangs over the timber industry. The politicisation of forestry that has accompanied the development of the woodchip trade and market fluctuations in both international paper markets and domestic sawn timber sales make log cartage a business proposition that is laced with uncertainty. Most important, though, is the tenuous nature of the employment relationship between log carters and logging contractors, and, in turn, with sawmillers. Specifying the monetary value of a cartage job thus always involves some degree of speculation.

A 'truck job' is the term that the logging community use to describe the cartage work that is negotiated between a logging contractor and a log carter. Logging contractors will refer to the 'truck jobs' that 'logging jobs' generate. While logging necessarily begets cartage work, the acquisition of such cartage work occurs in two different ways. The first is to inherit a log truck from a family member. The second, and more common method, is to buy a truck from a working log carter, a truck that is already part of the existing system of production. When I asked Michael Rossi how he got his start in the industry his reply was matter-of-fact: "We bought our jobs with the trucks".

Log trucks are much more than physical machines; they are factors of production in the log economy upon which specific social relations are built. Because log carters are primarily tied to the one logging contractor the value of the truck that a new carter buys is wholly contingent on the productivity of the logging crew to which it is attached. This is in turn dependent on the ranking that logging contractors give the log carters in their employ. The 'number one truck', as it is referred to, receives the first option each day for carting logs to sawmills. It takes the first load at the beginning of a day, and since carters are restricted to working

in daylight hours, is likely to fit in more loads than the second truck on a regular basis. A log carter cannot buy the number one job; a logging contractor will confer such a privilege.

When log carters sell their trucks they are never just selling their trucks; they are selling a 'truck job'. The value of the job itself is never made explicit yet the sale price of the truck is often significantly more than one would normally pay for a truck of that capacity and age. This is because the real value of the truck is not merely a reflection of the truck's mechanical condition but of the work it can command. For instance, a truck that is attached to a logging crew renowned for its efficiency and consistency of high logging output will be worth a great deal more than one attached to a less efficient contractor. This would still apply even if the former truck is in worse mechanical condition than the latter. The sale price of the truck is a reflection of that truck's real economic value within the social relations of logging and log cartage. It is the value of the log cartage job, and this is in turn dependent upon several factors: the condition of the truck, the efficiency of the logging contractor to whom it is attached and the politics of logger-cartersawmiller relationships. The political position of the carter, the efficiency of the logging contractor to whom the truck is attached and the mechanical condition of the truck determine this real value. The value of the truck cannot be made explicit because it is by definition an intangible sum of all these factors.

#### THE IMPORTANCE OF PIECE-WAGES

The method of payment by which log carters are remunerated for their services is critical to the quality of relationships between carters, loggers and sawmillers. Log carters are paid piece-wages according to the volume of log timber delivered to sawmills, and prior to the tender it was the logging contractor who paid them this

sum. Logging contractors contracted the entire logging and cartage operation, and sub-contracted carters to deliver logs from the coupe to the sawmill. As such, it is the logging contractors, not the carters, who are responsible for the entire operation. The pressure of piece-wages and the financial commitments associated with all logging work combine to produce complicated financial entanglements that inevitably strain relationships between different family logging businesses. I give one such example below.

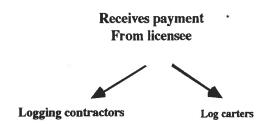
Logging contractors have to meet demanding loan repayments each month. The ability of contractors to honour these obligations varies and is related to different factors such as the saw-log ratio and ruggedness of the coupe, the efficiency of the logging contractor's crew and the care and the condition of logging and cartage machinery. Because of the interest attached to commercial loans, the bigger the repayment that can be made the better. Larger repayments make bigger inroads into the logging business debt, and mean that less interest is accrued on the existing loan. Also, demonstrating ability to honour payments increases the possibility of a logging business attracting further finance.

This provides many logging contractors with an opportunity that they find difficult to pass up. Prior to the tender, it was contractors who were paid the entire fee for harvest and delivery, and thus it was contractors who routinely came into large sums of money every month. Even though the cartage component of this fee should rightfully be paid to the log carter, several logging contractors consistently hold on to this payment. Instead of paying it out to their log carters, they use the total lump sum total to make their *own* loan repayments for around either thirty or sixty days. This 'buys' them a thirty to sixty day period in which they will work extremely hard to try to get ahead, or catch up, as the case may be. By holding on to the money the logging business is able to honour its financial commitments

whilst buying some time to string together some big logging weeks in which good piece-wages are earned.

Figure 4.1: Payments, post-tender, for harvest and delivery of log timber

Successful tenderer



This situation, whereby the total payment for harvest and delivery is paid to the logging contractor is not a situation open to exploitation by the logging contractor alone. Several log carters exploit this wage anomaly as well. 'Working for free', whereby cartage services are performed but the timing for payment is deferred can be a very potent political weapon wielded by log carters against logging contractors. In 1996 and 1997, one contractor was allowed to accrue a debt to a carter of around \$30,000 in cartage fees. This particular carter was quite well off by virtue of operating an inter-state transport truck and a chip truck, and was thus not solely reliant on a single cartage piece-wage. This economic security enabled him to accumulate a debt of such a size that legal action against the logging contractor for non-payment became a feasible option. Whilst legal action was probably never seriously contemplated, the point is that it was possible. The threat of legal action, which accompanied a debt of this size, allows the carter an enormous amount of industrial leverage over a logging contractor. The log carter has the logging contractor where he wants him: he can demand to be the principal carter for that contractor and demand certain preferential treatment. Michael Rossi used this power to secure permanent work from the logging contractor for whom he had temporarily 'worked for free'. In this way, greater security of employment than would otherwise be possible can be attained. Rossi, who often 'works for free', elaborated this situation in conversation with me:

DR: If you can afford to work for people who aren't paying does that then give you power over those people, some sort of ability to exercise influence?

MR: I do . . . [exercise influence] . . . It's not easy to do but I do. It's worked sometimes, sometimes it hasn't. But I've finished with most of those though. I've still got my mind on a few people that I'll sort out one day.

DR: So if you continued to work for people who weren't paying could you say to them: "Unless you guys make me the number one truck or second truck then . . . "

MR: "I'll run you out of business, take your money, sue you" - all those things. Absolutely. I try and wield as much influence as I can. It's not easy though. But it's workin' all right at the moment.

Some log carters knowingly seek out work from logging contractors whom they know will not or cannot pay them promptly so that they can accumulate credit, and thus exercise power over them. These carters are not popular amongst their peers, the main reason being that 'working for free' necessarily changes the relationships between other contractors and carters. For instance, a carter who has been accumulating credit with a contractor will invariably seek improved conditions of employment from that contractor. The conditions that the carter might seek may include privileged access to the cartage of any extra loads. When the contractor gives such privileged access, other arrangements of employment between that logging contractor and other log carters may be forcibly, and often suddenly, rearranged. This makes already tenuous employment arrangements even more anxious. 'Working for free' is a practice only possible for those carters who have either alternative sources of income (chip trucks or other transporters) or who have secure financial arrangements. When well-to-do log carters 'work for free' it often results in the more vulnerable log carters, those who have heavy financial undertakings and who are reliant solely on one piece-wage, being most adversely affected. Vulnerable log carters simply cannot afford to 'work for free'. The constant costs of loan re-payments, maintenance, and, most critically, fuel, which

costs about one-fifth of a log carter's total piece-wage, mean that most log carters cannot afford to be working unless they reliably receive prompt payment for their work.

# **CONCLUSION**

The ethnographic scenarios depicted in chapters three and four illustrate why the tender to contract the harvest and delivery of log timber in the EGFMA produced such a difficult industrial dispute and why the political unity of logging contractors and log carters was achieved only after considerable struggle. The interests of log carters and logging contractors were not shared interests, and nor was there solidarity among all the workers in each group. The system of payment whereby logging contractors were paid the entire wage for harvest and delivery was a system exploited by logging contractors and log carters alike, and this meant that a particular population of log carters suffered. In general, the system as it operated prior to the tender process kept the log carters at arm's length from logging contractors, and even more distant from sawmillers. Some logging contractors had little interest in changing this situation. They benefited from the preferential treatment they received from sawmillers and from the 'borrowed' money that they were able to use to their own immediate economic advantage. Sawmillers too were more than happy to remain at the top of the local chain of exploitation and observe the fragmented, dispersed and competitive behaviour of their subcontractors. All of these factors, plus the persistent financial commitments of the logging business, and the nature of piece-wages, created a culture of individualism amongst the family businesses that dominated logging and cartage. individualist tendencies militated against the sort of collective action that might secure conditions of work that would give some degree of security to the logging and cartage industries.

However, the practice of 'working for free' is only one that is available to a limited number of carters at particular points in time. Its divisive effect, therefore, is limited. Whilst there are differences between log carters and logging contractors, both are engaged by sawmillers. The potential for division is always restricted by the industrial omnipotence of the sawmillers. Two DNRE policies, that served to further intensify the industrial dominance of sawmillers over contractors and carters, warrant particular analysis. First, the introduction of Group Logging by DNRE in the logging season of 1991-92 and second, the awarding of a 'Contract by Tender' in 1997-98 were both pivotal moments in the industrial history of the East Gippsland timber industry. In the following chapter, I analyse the changes that Group Logging made to the way sawmillers harvested log timber before going on to explore, in turn, the political dynamics within the logging and cartage sector that these policy changes generated. The result was one that simultaneously contributed to, and militated against, the solidarity of the logging community.

# CHAPTER FIVE

# FROM UNDERCUTTING TO UNION MEMBERSHIP: THE DISPUTE UP CLOSE

The logging coupe is the workplace of loggers. It is also a key productive unit in a contemporary technology of forestry. The coupe is an essential component of a state-administered regime of intensive timber extraction. It is through the administrative implementation of such regimes that the commercial interests of both woodchippers and sawmillers are met. All of these conditions, however, extend from the initial historical imperative, the explosion of paper manufacturing. This expansion spawned the development of regional forest economies that were established to feed productive centres in countries such as Japan. Economic relationships of such scale have necessitated the development of a division of labour that has become entrenched through a number of government agreements. A recent example of such an agreement is the National Forest Policy Statement of 1992, and the Victorian Timber Industry Strategy of 1986, as discussed in previous chapters, and the Value Adding Utilisation Scheme (VAUS) Trials that were conducted in Victoria from 1989 onwards.

In line with the National Forest Policy Statement as outlined in Chapter Three, harvesting schedules are devised for two types of coupes: ones from which only saw-logs are sold, and ones from which both saw-logs and residual logs are sold. These two types of coupes are known colloquially as "log coupes" and "pulp coupes". Pulp coupes are prized highly by logging contractors because they enable such an efficient extraction of timber, and because of their high total volume yield. They are highly prized also because they are rare: they make up only around 10% of the total number of coupes. At the bottom of the regime of forest management are the logging contractors and log carters that actually log and cart timber from

forest coupes. The tender process that DNRE conducted in 1997-98 ostensibly endeavoured to organise this system of timber extraction so that the licensees of saw-log and residual log timber were delivered their licensed volumes most efficiently. It was through this process, which sought to give a novel legal enforceability to work that had previously enjoyed no legal sanctions, that loggers and carters became particularly politicised.

Before the political ramifications of the tender process are examined the immediate background to the politics of the timber industry must be discussed. I thus divide this chapter into three stages. In the first, I look at the Value Adding Utilisation Scheme (VAUS) trial, a timber industry policy that served to intensify the political antagonisms between the dominant sawmillers (Humphrys and Andrews) and many of the logging and cartage workforce. Secondly, I look at the development of the system of Group Logging and summarise the effect this had on the relationships between private family logging businesses in the EGFMA. It is only after discussing both Group Logging and the VAUS Trial that the politicisation of loggers and carters within the timber industry can be properly understood. This politicisation is the focus of the third and final section of this chapter.

#### THE VAUS TRIAL: VALUE-ADDING OR INCREASED EXPLOITATION?

Clear felling, although it was a silvicultural technique introduced to meet the needs of the pulp and paper industry, was to have a prodigious effect on the sawmilling industry. The introduction of clear-felling practices in East Gippsland between 1967 and 1970 dramatically increased the operational expenses of sawmills. The sharp rises in the labour and capital expenses of harvesting and road-building meant that bigger markets had to be garnered to cover production costs. This in turn required unprecedented capital investment in sawmilling technologies. This

inexorable concentration of capital into larger and fewer mills was concurrent with the out-sourcing of logging and cartage operations. As the bigger mills continue to grow in their operations and the smaller mills are forced out competition between sawmillers decreases. There are simply fewer competitors. At the same time, the occupational and commercial division between sawmills and logging and cartage also widens. In East Gippsland, this process was one-way: bigger mills continued to get bigger as the sawn timber industries began to face intensified competition from overseas, from softwood producers and from alternative building products. Only the larger mills, which enjoyed greater access to capital, and greater opportunities for product diversification, were able to survive. These larger mills, particularly the chain of six mills owned by Humphrys and Andrews became major regional employers. This fact is of great significance in the contemporary climate of high regional unemployment. Business interests are quick to underscore the importance of their operations to the social and economic fabric of a community. Sawmillers in East Gippsland were, and continue to be, no different. The VAUS Trial was a case in point.

In June 1989, facing significant political pressure from both the environment and the industry lobby, the Victorian State Government postponed the possible establishment of a paper mill in East Gippsland indefinitely. As a result of the political compromise that prompted this decision, two sawmillers, Humphrys and Andrews, benefited enormously. Although the possibility of pulp and paper developments was indefinitely suspended the Victorian Government introduced the Value Adding Utilisation Scheme trial. This trial meant 200,000 cubic metres of residual logs would be sold from the EGFMA. The rationale of the VAUS policy was that to create greater economic benefit and employment for regional forest communities like East Gippsland, more value had to be added to both sawn timber products and residual logs. To that end, the VAUS provided, firstly, technical support for sawmillers wanting to improve and diversify their processing and

marketing capabilities. Secondly, the VAUS allowed for trial residual log sales, ostensibly to assess the viability of such an economic enterprise before any further decisions were made regarding larger-scale processing.

Two sawmillers, Trevor Andrews of Orbost and Bob Humphrys of Cann River were awarded the contracts of sale for these residual log timber volumes. These contracts, in keeping with the political tone of the VAUS and its rhetorical commitment to the development of local processing facilities and local jobs, dictated that these residual logs be processed into woodchips by no other party but these two sawmillers. So what was glossed as a boon for regional industrial democracy was in fact the establishment of a government-ordained duopoly. HDA could not buy residual logs directly from the EGFMA but instead were forced to buy woodchips from either Humphrys or Andrews. Thus Andrews and Humphrys, in their respective sawmills, expanded their woodchip processing facilities<sup>33</sup> and invested in trucks that could transport woodchips to export mills in Eden and By 1990, both Humphrys and Andrews had negotiated seven-year Geelong. contracts to supply woodchips from the EGFMA to both HDA in Eden and Midway Wood Products in Geelong. These two sawmillers and the government that had introduced the VAUS were quick to play up the positive benefits that this scheme would have for the East Gippsland timber industry. In reality, however, this policy was but another step in the development of antagonism between, on the one hand, sawmillers and DNRE, and loggers and carters on the other. Another DNRE policy, the introduction of Group Logging in 1991-1992, was critical in the development of such antagonisms.

<sup>&</sup>lt;sup>33</sup>Most sawmills, despite the minimal sale of residual logs from the EGFMA, have woodchipping facilities, as most sell sawmill residues to woodchip companies. As a result of winning the VAUS Trial contracts, Humphrys and Andrews developed woodchipping facilities on a larger scale than those in other sawmills.

### **GROUP LOGGING**

Through the VAUS trial two sawmillers (Humphrys and Andrews) were awarded contracts to buy and sell residual log timber from the EGFMA. Whilst this of course further concentrated capital into fewer and bigger mills it also inserted another wedge between sawmillers and the logging workforce. This wedge came in the form of the ability that was given to Humphrys and Andrews to 'award' pulp coupes to logging contractors. Because the VAUS set up such limited terms for residual log extraction from the EGFMA,<sup>34</sup> only a small number of pulp coupes became available for harvesting. It was these two big sawmillers that thus assumed the power to grant access to pulp coupes to logging contractors. This meant that a pool of logging contractors was thus vying for this finite amount of work.<sup>35</sup> The power to award pulp coupes to logging contractors can be a particularly divisive and persuasive tool that sawmillers use in seeking to lower the costs of log supply.

The pre-eminence of Andrews and Humphrys was further consolidated by the introduction of DNRE's Group Logging policy in 1991-1992. Group Logging was introduced in an endeavour to harvest volumes of log timber in direct relation to the sawmilling industry's capacity to absorb log products. All licensees (sawmillers) in the EGFMA were required to form a Logging Group, which effectively became a single licensee. Instead of contractors and carters being engaged by individual sawmillers, as had formerly been the case, Group Logging meant that contractors and carters now supplied log timber to the Logging Group,

<sup>&</sup>lt;sup>34</sup> The VAUS allowed for the sale of 200,000 cubic metres of residual log from the EGFMA, estimated to be about one-fifth of the total amount of residual log timber that becomes available as a result of clear-felling.

<sup>&</sup>lt;sup>35</sup>Harvesting pulp coupes is often lucrative work. These coupes guarantee large yields and enable logging crews to work more efficiently than they are able to do in saw-log coupes. The technical details of these harvesting arrangements were discussed in Chapter 3.

which assumed managerial responsibility for all harvesting and delivery arrangements. Although it was DNRE that instituted this policy, it has minimal direct involvement with Group Logging business and requires no information of the Group's management structure, apart from access to a Group representative.<sup>36</sup>

DNRE's Group Logging policy was an attempt to harvest timber in direct proportion to the sawmilling industry's capacity to absorb it; it was a clear case of the interests of DNRE and the sawmillers being brought together. The coincidence of such interests is all the more pertinent given the recent pushes to corporatise government departments and agencies. Government departments are increasingly pressured to balance their books, and DNRE is obliged to attempt to cover its operating costs with the monies it receives in royalties through the sale of log timber. The commercial relationships with sawmillers, and *not* the industrial relationships that persist in the timber industry are the principal concern of DNRE. This is reflected in the fact that DNRE took no interest in the operation of Group Logging.

Under Group Logging, a group of sawmillers, rather than an individual sawmiller, employ logging contractors and log carters. Negotiation of wages and conditions take place between the body of loggers and carters on the one hand and the Logging Group on the other. DNRE refuses any mediation role and will only attend disputes relating to individual licensing matters.

The Logging Group (which was incorporated as East Gippsland Logging), sought, as all sawmillers before it have done, to lower the costs incurred by the supply of

<sup>&</sup>lt;sup>36</sup>It is specified in Section 2.2, no. 5 of the *Timber Harvesting Arrangements* that: The manner in which logging groups structure their organisation (eg. formal, group, company) is a matter for each individual group to determine. However, the Department does require advice on the nature of the group's arrangements and, that a person be nominated to act as a contact on behalf of the group. (DNRE 1997)

log timber. The main way that the group tries to achieve this is through the lowering of labour costs. East Gippsland Logging (EGL) is in a excellent position to do this since twenty-two logging contractors supply log timber to EGL and every one of these contractors is reliant on logging as his sole source of income. The individualised, personalised and competitive nature of logging businesses fostered by isolated work conditions and heavy financial commitments is further intensified by the Group Logging structure. The ability to allocate pulp coupes to only a few logging contractors is an integral component in the fostering of this competition.

Prior to the introduction of Group Logging in 1991-1992, two or three logging contractors and log carters would work exclusively for the one sawmiller. For logging contractors the major change in this new system was that negotiation of wage rates and the conditions of logging work was now a matter negotiated between EGL and the entire body of logging contractors. Before Group Logging, negotiation of employment conditions and rates of wages only took place between the individual sawmiller and individual contractor. Contractors and carters came to have long associations with one sawmiller, and subsequently came to rely upon this sole source of employment. The personalised and informal nature of these prior arrangements is indicated by the following reflection by a log carter on the system that pre-dated Group Logging:

For instance, if Danny and Jack Williams (former partners in logging), . . . if they wanted a pay rise they didn't have to worry about anyone else, they didn't have to worry about any other contractors, or any other mills, they'd walk straight in to Barnesy's office (their mill boss) . . . at Smith Brothers (the mill they worked for) . . . and say: "Look, can we have a pay rise?"

However, the policy of Group Logging ensures that this sort of negotiation is simply not possible. Group Logging dictates that an array of disparate logging contractors is reliant on the same single body for work. The individualised

relationships between sawmillers and contractors that once persisted are untenable, as all contractors are employed by the same body, East Gippsland Logging. Pay rises cannot not be sought as previously: indeed, by seeking a pay rise a logging contractor would be making himself vulnerable as his position in the labour market becomes weaker because his labour price is more expensive than his competitors.

Group Logging on the one hand entrenched the domination of sawmillers over the logging and cartage workforce and fostered competition between contractors. However, on the other hand it meant that loggers and carters were brought into potential union with each other, by virtue of the fact that the same single body employed them. Logging contractors could no longer rely on a favourable relationship with a single sawmiller to secure work. The issue of negotiating wages collectively never arose before Group Logging, since each sawmiller employed only one, two or three logging contractors. So, in short, Group Logging meant two things. Firstly, it meant an elevation of a new peak employer, East Gippsland Logging, to whom all logging contractors were reliant on work. Secondly, it meant fundamentally new relationships between logging contractors. Because each contractor shared the same employer, new political relationships had to be formed to make the negotiation of wages and conditions possible.

# THE POLITICISATION OF LOGGING

By 1993 a new professional association, the East Gippsland Loggers and Carters Association, had been formed. The logging contractors and log carters who founded this association did so with the view to negotiating work conditions with the new Logging Group, East Gippsland Logging. The Association gained about two-thirds of the workforce as financial members. Whilst all loggers and carters shared the same empirical conditions in that they were all engaged by East

Gippsland Logging, not all loggers and carters recognised and politically acknowledged these relationships. This is a clear case of the development of class-consciousness. It is one thing to designate an aggregation of contractors who can be defined to have the same relationship to an employer. However, it is quite another for the actual people concerned to recognise and activate these particular class interests.

The process by which such recognition, organisation and mobilisation of class interests occurs, or fails to occur, is the class struggle as understood by Thompson (1991). For Thompson, this process is an essentially historical one in that it involves the development of relationships between groups and individuals over the course of time.<sup>37</sup> This is the meaning of Thompson's trademark term "making" (1991) as it applies to class formation. In the case of East Gippsland loggers and carters the struggle was to reconcile the pursuit of private family business goals, which necessarily emphasise self-reliance, with collective political action. It was only when such reconciliation occurred that loggers and carters could act as a class and pursue their interests *vis-a-vis* sawmillers and DNRE. I describe one particular incident in order to demonstrate just why the majority of logging contractors was willing to support such collective action in pursuit of their own private family business goals.

In early 1993, about six months before the founding of the East Gippsland Loggers and Carters Association, and after the Group Logging system introduced by DNRE had been operating for just over a year, a local logging contractor made a major political move. Peter Williams, a long established logging contractor and former President of the Logging Contractor's Association (the organisation that had preceded the Loggers and Carters Association), arrived at the Orbost Club for the

<sup>&</sup>lt;sup>37</sup> Roseberry (1989), Wolf (1982) and Mintz (1985) deal with similar issues but with a greater ethnographic focus.

routine monthly meeting of the then Contractor's Association. As logging contractors sat down to conduct the business of the meeting, Williams announced, "You guys have really missed the boat this time", and then promptly left the meeting. At this stage no one was totally sure what Williams was referring to. It soon became evident, however, that he had individually negotiated logging work with Trevor Andrews, one of the two dominant sawmillers in EGL.

Williams had negotiated with Andrews to exclusively harvest all of Andrews' pulp coupes, coupes from which both saw logs and residual logs are sold. In the EGFMA, such coupes are rare, lucrative and desirable: every tree felled by the logging crew earns a piece-rate, but most importantly, the knowledge that all logs will be sold makes the logging operation decidedly more straightforward. Exclusive access to pulp coupes offers the security of work that logging contractors crave. Such access, however, does not come without a price.

Williams secured this logging work from Andrews by offering to work for a lower piece-rate than any of his fellow contractors. This move was ultimately successful in that it gave Williams a volume of work that he would not have been able to secure otherwise. In order to log these pulp coupes a major investment was necessary, for Williams had to increase his log harvesting capacity five-fold to over 100,000 cubic metres over a period of two years. At such high-volume levels of harvesting, the efficiency and the quality of the equipment becomes critical. Not only does high-volume harvesting require more and better logging machinery, it puts continual extra strain on both equipment and labour. As explained in Chapter Three, pulp coupes have low quantities of the more valuable saw-log timbers, and the residual logs that abound in them attract much lower harvesting and cartage rates. For a logging contractor to harvest these coupes profitably, the critical concern is not to extract good quality saw logs: it is to harvest high volumes of logs quickly.

To meet his enlarged commitments, Peter Williams took the bold step of establishing four different logging crews, and buying the most efficient logging equipment available. This was necessarily risky as it required massive commercial loans, higher labour and insurance costs, and involved a rate of harvesting that entailed a high depreciation of the capital value of equipment. But aside from the technical challenges brought about by such a move, the most profound effect was to ensure Williams's political and social alienation from other logging contractors. His peers openly asserted that he could not only expect no favours from them, but could also expect some form of retribution if the opportunity arose. Following this, Peter Williams became enormously unpopular amongst logging families. By under-cutting his peers, he had successfully secured a great deal of work and an assured volume of harvesting. If other logging contractors wished to obtain similar conditions then they would have little choice but to drop their rates also. Williams's actions, however, demonstrate how valuable substantial and secure work is in the timber industry.

Another logging contractor, Stuart Fitzgerald, chose a similar option. Fitzgerald had suffered much down-time and financial hardship as a result of sabotage of his logging equipment. He had also been financially burdened by an obligation he made to buy out his wife's share of the logging business. Such financial pressures no doubt prompted Fitzgerald to followed Peter Williams's lead, in the hope of securing either pulp coupes or high-yielding saw-log coupes. Like Williams, Fitzgerald incurred the wrath of other logging contractors, and Williams and Fitzgerald became close allies, talking to each other regularly on the telephone and spending time with each other socially in one of the local football clubs. Kerry Fitzgerald, Stuart's wife, remarked to me that it was after she and her husband had negotiated to work for the Logging Group at a lower than normal rate that "we found out who our friends really were". As well as receiving clear expressions of

disapproval from women within the logging business, she had been subject to repeated abusive phone calls from one individual log carter.

# PROFESSIONAL JEALOUSIES PROSPER WHILST THE ASSOCIATION STRENGTHENS

You really need to be working for one sole body, for one sole mill, before you can all get together in union. That was half the reason why we were never able to get real far with the Association that we [had] then, because we always had to talk to too many different bosses (Michael Rossi).

It is clear from the above quotation that Group Logging, whereby sawmillers jointly harvested log timber as an alliance of licensees, generated a new dynamic amongst the community of logging contractors. This arose from the fact that Group Logging made all logging businesses dependent on a single sawmilling body. Group Logging generated more intense competition between logging contractors, as indicated by two logging contractors under-cutting their new competitors. An important effect of this under-cutting was the germination of political ties of loyalty and cooperation among hitherto competitive family businesses. These ties were the basis of the political resolve that was necessary to resist the determination of the dominant sawmillers to lower log supply prices as much as possible.

Since DNRE introduced Group Logging in 1991-1992, no other actions have been so influential in structuring political relationships within the logging community than these two exercises in under-cutting. These two cases made transparent the dynamic that was generated by the labour arrangements under Group Logging: contractors were brought into direct competition with each other, yet they were also brought under the control of the one employer, East Gippsland Logging. So whilst tendencies to pursue individual business interests were exacerbated, as the

under-cutting illustrated, the efforts of logging contractors to organise their collective interests against sawmillers were renewed. Professional jealousies, rivalries and siege mentalities might have flourished in some, but political solidarity and a cooperative sense of a guild of loggers grew simultaneously.

However, professional jealousies were felt not only in relation to exercises in under-cutting. Rather, the structure of the relationship between EGL and the logging workforce, whereby the process by which logging coupes are distributed is not transparent, has made it impossible, even with the best intentions, to distribute coupes evenly at all. One logging contractor will be issued a high-yielding sawlog coupe from which the crew makes plenty of money whilst others will be struggling to work profitably in a steep coupe with a low proportion of saw-logs. Such inequities, which are unavoidable when the topography of a forest landscape is parcelled up into rationalised units of production, fuel constant speculation regarding political relationships between logging contractors and East Gippsland Logging.

For instance, it is well known that Stuart Fitzgerald consistently produces big annual logging volumes, equal to or more than any other logging contractor. Other contractors argue that for Fitzgerald to be able to do so, he must be consistently issued high-yielding coupes by EGL: 'good bush' in exchange for the lower rates that he offers. But another argument is frequently postulated: with the lower rates that Fitzgerald is working for he *needs* to produce such volumes of logging. The intensity of his and his crew's labour-effort is driven by the very fact of the lower piece-rate.

It is customary for logging contractors to nominate certain peers as probable recipients of favourable treatment. When a contractor records a high-volume logging season, conjecture runs rife as to the 'real' reasons underpinning this

success. Is that logging contractor simply 'a good operator'? Does he always get 'good bush'? Is he 'pissing in someone's pocket'? Is it just that he has a new bulldozer? Has he got an 'in' with Humphrys or Andrews? When a low-volume season is recorded by a contractor, conjecture is just as abundant: Are the crew 'hopeless operators'? Is their equipment out-dated? Have they struggled to keep a crew together all year? Were they hampered because their faller quit after being hit? Are they too complacent because their gear is paid off? Was their season unduly affected by wet weather? Records of annual logging volumes for each contractor and carter are publicly available from DNRE and this information is scrutinised studiously by many forest workers. Not surprisingly, logging volume details are also of great interest to log carters. Carters will equally survey the productive field; they analyse the harvesting performances of logging contractors, with the intent of aligning themselves with those who produce a large amount of Such conjecture is of course fuelled by the diversity of material circumstances that different logging contractors enjoy. Not only are there twentythree logging contractors, but each has a particular degree and quality of financial entanglement, and is positioned differently, both politically and technologically, in relation to the efficiency of his gear.

Group Logging generated a political landscape whereby the individual interests of family business exist in constant tension with the collective interests of loggers. The event that was pivotal to the changing political organisation of the logging and cartage community was the announcement in 1995 that a contract for all logging and cartage operations in the EGFMA would be put up for tender. This was a hugely significant development in this class struggle because since 1991-1992, East Gippsland Logging, a body that consisted of all the local sawmillers, has controlled logging and cartage. The tender process now opened up the possibility of parties *other* than sawmillers managing logging and cartage. It was not surprising, then, that EGFMA logging contractors and log carters, were excited by

the unprecedented opportunity that the tender provided: a chance to wrest political and administrative control over the supply of log timber from the EGL sawmillers. Potentially, the rate and scheduling of harvesting could be organised in a way better aligned with the interests of those actually doing the logging work. In 1995, log carters and logging contractors (already formally associated through the East Gippsland Loggers and Carters Association) formed a company, East Gippsland Forest Management, with the *specific* purpose of tendering for the Contract. Many members of the Association bought shares in this company,<sup>38</sup> and the revenue from the sale of these was directed to the preparation of the tender bid. The seriousness of the bid was indicated by decision to employ an administrator to coordinate the campaign. In a workplace environment (logging) that customarily shuns and dismisses such people as 'saps' and 'bludgers' this decision was no mean feat.

Three logging contractors, Bill Ingman, David Williams (Peter's brother) and Geoff Smith, and two log carters, Michael Rossi and Patrick Williams (Peter and David's brother) were active in leading this campaign. Their efforts were varied: they included lobbying state government politicians and DNRE bureaucrats, soliciting accounting and legal advice regarding business matters, and conducting meetings of company members. The bulk of this fell to Colin Duncan, the executive officer. A central component of the bid was the compilation of a detailed inventory of the logging and cartage equipment owned by the Association's members, and an assessment of the Association's capacity to perform the services that the Contract required. The key emphasis of the Association's campaign was to demonstrate the ability of East Gippsland Forest Management, through its share-holders (logging contractors and carters) and its assets (logging machinery and trucks) to honour the terms specified in Tender EG971 as being essential to the performance of the Contract. Meetings were held in the rooms of

<sup>&</sup>lt;sup>38</sup> East Gippsland Forest Management was wholly owned and controlled by the logging contractors and log carters who established it.

the local cricket club, at private homes, and at the video shop that the executive officer owned. Truckyards, streets, pubs and sporting and social clubs also hosted many conversations. Most importantly, talk of 'the tender' entered into everyday conversation, especially in the homes and workplaces of logging workers.

Of course, the Association never gained unanimous support from logging contractors and log carters. The goals of the Association struck at the heart of EGL's power and thus also at the privileged positions of those contractors like Peter Williams and Stuart Fitzgerald who were being well looked after by sawmillers. Not surprisingly, Peter Williams steadfastly refused to deal with the Association. His brother, David, was President of the Association, and one of its most committed campaigners. Another brother, log carter Patrick Williams was also deeply committed to the Association's goals. David and Patrick had little respect for their brother's position; little love was lost between them. These local tensions reached their zenith when the East Gippsland Loggers' and Carters Association eventually waged an industrial battle with EGL over the Christmas/New Year break of 1997-1998. Thus, the issuing of Tender EG971 in June of 1997 further developed the fundamental reorganisation of the industrial relationships between sawmillers and the forest workforce that was brought about by Group Logging. It is to the details of the tender dispute that I now turn.

## THE TENDER DISPUTE

Between 30 July, when all parties were required to submit tenders for Contract EG971, and 30 October, when DNRE announced its decision, talk about 'the tender' amongst the logging community was rife. Rumours about DNRE deliberations circulated rapidly and all possible permutations and combinations of forest management were propounded as possible future scenarios. On many

occasions, loggers or carters would seek to explain sawmillers' and bush bosses' behaviour by claiming they already knew the outcome of the tender process. For instance, in the first week of October, Matthew Sweet, a log carter, was convinced EGL had won the Contract for EG971 in the light of the verbal arrogance of Gavin Ryan, a bush boss. He read Ryan's arrogance as a forewarning of a newly enhanced power, underpinned legally for the first time.

Such speculation was brought to a close at the end of October 1997 when it was announced by DNRE that the Contract had been awarded to East Gippsland Logging, the organisation dominated by Andrews and Humphrys. The reaction of the East Gippsland Loggers and Carters Association members was one of frustration, anger and despondency. Particularly frustrating were the official reasons DNRE bureaucrats offered: a senior official maintained that EGL had been chosen because they were, in his own words, "proven performers". Since a contract covering logging and cartage in East Gippsland was an entirely new development, the members found it difficult to understand how EGL could be construed as "proven performers". Despite the hopes of the Association being dashed by this decision, the resolve of these logging contractors and log carters to strengthen their industrial power and to improve their conditions of work was best expressed by Michael Rossi at the time: "This is only round one".

The Association met regularly through the month of November to discuss strategy. The Contract dictated that all sub-contractors engaged to perform "harvest and delivery of licensed log volumes" must work under legal contract themselves. Before the Contract came into effect in January of 1998, logging contractors and log carters would have to agree to their own individual employment contracts with EGL. However, the Association's members had not given up hope of reversing the tender decision, and various tactics were proposed to undermine EGL's case. 'Rolling the tender' was talked about with great fervour, but little consensus

emerged as to how this might be achieved. Several fallers believed that a strike of fifteen fallers could undo the Logging Group's bid. Because the Contract required the delivery of licensed log volumes to sawmills, any work stoppage could jeopardise the fulfilment of such a requirement and the reliance on fallers would be starkly exposed by any such strike. Log carters too talked about the power they could wield in an industrial dispute. "Us truckies could do it on our own," was the opinion of Patrick Williams, a carter who played an integral role in the Association's campaign. Any practical action, however, depended on what course EGL would take leading up to commencement of their Contract in the New Year of 1998.

The Association met in secret; the timing and location of meetings was never advertised and any information emanating from these meetings was handled with the utmost discretion. The greatest degree of secrecy surrounded the rates of harvesting that the Association committed itself to seek from EGL. If such information was divulged to logging contractors outside the Association, then those logging contractors could readily tender lower rates to EGL and the whole cycle of under-cutting that had split the logging workforce apart would begin once again. As Michael Rossi remarked to me in early December when I asked him about the coming period of negotiations:

This is the time that's going to test [us] because we don't know what it is we'll be working for. So people are going to need to stick together to get the right rates and things happening before the new system's implemented and the contracts are all signed.

## THE NEGOTIATION OF CONTRACTS

DNRE dictates that logging in the native forests of the EGFMA ceases for around three weeks over the Christmas/New Year period, before beginning again in the second or third week of January. However as the logging season drew to a close in December of 1997, loggers and carters had much more than holidays on their mind. As Christmas approached, logging businesses became pre-occupied with the negotiation of individual contracts for logging and cartage. The certification of such contracts were necessary conditions of the Contract, and were indeed novel propositions for almost all the contractors and carters. EGL had deliberately left the process of contractual negotiation to the eleventh hour, ensuring that contractors and carters would have the least amount of time possible to analyse the fine details of their contracts and formulate a response.

Drafts of individual contracts were issued to contractors and carters on Monday 14 December. This immediately generated a great deal of confusion, stress, and, most importantly, discussion amongst and between logging families. Wives of loggers and carters were particularly active in these discussions, because, in most cases, the men were still working in the forests. Within a couple of days of receipt of the draft contracts, particular terms within the contracts began to generate interested discussion. Two points assumed particular significance. Firstly, each contract was found to be for a differing duration, so that each logging contractor or carter would come to the end of his contract at a different time. This would weaken any attempt to bargain collectively. Secondly, the retrenchment conditions within the contracts were unpalatable to loggers and carters. Logging contractors could be retrenched with three months notice, and worse still, log carters could be retrenched with only two weeks warning.

Debate escalated as to whether the terms outlined in the draft contracts were legally enforceable. Several logging businesses subjected these draft agreements to the most critical test: whether they were successful in securing loan finance. The overwhelming opinion from financial brokers was negative. This proved one of the critical moments in the dispute. For despite the political differences between

logging contractors and carters, all shared a common desire for greater economic security in their employment.

It was precisely this desire that had prompted Peter Williams and Stuart Fitzgerald to undercut the rates of their fellow contractors. Despite the real differences in the behaviour of different contractors, such behaviour arose out of the economic vulnerability of the logging business. The tenuous nature of the relationship to sawmillers, the high cost of logging machinery, and the unavoidable inconsistency of logging volumes are conditions experienced by all loggers and carters. At this moment, this vulnerability was felt even more keenly by Peter Williams, who bore the greatest costs of all contractors through his operation of four different logging crews. Once the draft contracts were revealed to have little sway in terms of attracting business finance it became clear to all that they were worth little indeed. Even logging contractors, who had eschewed involvement with the Association and had received good treatment from sawmillers over the years, were now dubious about the worth of their employment contracts. Whilst no new members joined the Association, the credibility of EGL as future employers was undoubtedly tarnished by these findings. It was made clear to almost all that these individual contracts would not strengthen the position of contractors and carters in relation to sawmillers and DNRE. DNRE, as the architect of forestry policy, and EGL, as DNRE's commercial licensee, set the terms for the productive relations in which loggers and carters are enmeshed. The 'Contract by Tender' did not change these relationships: it sought to entrench and extend them by giving these industrial arrangements a legal enforceability for at least three years.

The contracts were due to have been signed on Friday 19 December. The Association called a meeting of its members for the evening of Thursday 18 December to discuss its response. On the previous day, it had been rumoured that four of twenty-one logging contractors had signed their contracts. It was also

rumoured that a large number of carters were united in their commitment *not* to sign the contracts. In most cases, those log carters who had signed their contracts were working for logging contractors who had also signed. For example, Joe Maio, one of Stuart Fitzgerald's carters, signed his contract shortly after Fitzgerald signed his, and Mick Thomas signed his contract just after the logging contractor he worked for, Tom Geisler, signed his. These carters were throwing their lot in with their logging contractors.

On the other hand, eighteen of the fifty truck contractors signed a petition that said that they would *not* ratify their contracts and that the Association would handle negotiations on their behalf. On the morning of 19 December, Michael Rossi, on behalf of the Association, arrived at the EGL office to inform them of this development, and at this point speculation and conjecture reached a high point. Not only was there great uncertainty about where different people's allegiances lay, but these uncertainties and suspicions were always very locally focussed, on friends, family and neighbours. Loggers and carters, and their spouses, tried keenly to extract information regarding others' alliances. In towns of 2500 (Orbost) and 800 (Cann River), such pressure is not borne easily. One particular incident demonstrates this clearly.

At 11am on Friday 19 December 1997, Matthew Sweet delivered his signed contract to the EGL office. This carter, although a member of the Association, had little faith in its effectiveness. He talked about this at length as I drove him to the office. He had taken the threats that EGL bosses had made, particularly that logging contractors from other areas could be employed, quite seriously. He put his faith in the philosophy, long explicit in East Gippsland forestry, of "each to their [sic] own":

There's no point not signing it now. Andrews and Humphrys won't put up with any of that sort of shit. [strikes etc.] ... We'd

have a case if we all stuck together but that's not going to happen. I'm signin' it.

Each to their own. I've read the contract and I reckon it's not that bad. I'm not gonna risk getting kicked out of the bush. That's what the other guys don't realise. If you don't sign it, then you'll be out of a job. Simple as that. Barnesy [Wayne Barnes, the EGL bush boss] . . . told me that they've outside contractors waiting to come in.

Not surprisingly, the reaction of other Association members to Sweet's actions was one of thorough disapproval. That evening the usual crowd gathered at one of the local hotels, and Patrick Williams and Michael Rossi (both active in the Association's campaign) publicly castigated Sweet for his decision. What the incident revealed was how extraordinarily divided the weaker groups were at this stage. It also highlighted the sheer novelty of written contracts to a local industry in which verbal agreements had long been dominant. Hearsay, rumours, off-the-record conversations and verbal promises had been central in relationships between sawmillers and their logging and cartage workforce. Sweet had enjoyed such a dialogue with Andrews, the biggest sawmiller in the region. These relationships had been forged, and strengthened in the idiom of talk. Sweet understood the written contracts simply as a codification of such verbal assurances. He thus had little interest in interrogating his contract's actual legal enforceability. The new contracts had the power to change all of this in profound ways.

Christmas came and went and still no agreement had been reached between East Gippsland Logging and the Association. In informal discussions on the evening of 30 December, Rossi and Jim Langton, a logging contractor, claimed that approximately thirty percent of the workforce had signed their contracts, well short of the number needed even to begin the work that the Contract required. With only a third of the workforce signed up, and the conditions of the Contract to become operative in just over a day, Andrews and Humphrys began to worry. The latter

rang David Williams, the Association's President, and sought some explanation for the failure to agree to EGL's terms. Williams's only response was that the Association was meeting privately that night to discuss its next move.

Logging was not scheduled to begin until 12 January 1998 and up to this time the Association continued to hold a series of meetings in strict confidence. Sometime before 12 January the Association's members made a crucial decision. Since the problem was one of negotiation, they decided to enlist some professional support in this regard. All of the Association's members promptly joined the Construction, Forestry, Mining and Energy Union (CFMEU), a union that previously could only ever boast sawmill workers within its Forestry Division.

The CFMEU had for several years been a presence in Orbost and to a lesser extent Cann River. This was mainly through the employment of a local man as an Orbost-based union organiser in 1996. Although only sawmill workers joined the union and this organiser soon relocated to the Sale region, this temporary presence lifted the union's profile considerably. However, the fact that no logging contractors or log carters had joined the CFMEU whilst its office was practically next door indicates that the 1997-1998 dispute represented an extraordinary threat to the commercial prospects of logging businesses. In short, through the 1997-98 dispute, a recognition emerged amongst competing logging and cartage businesses that collective political action actually could strengthen and further the rights and interests of individual businesses. Recognition of the shared subordination to sawmillers and DNRE brought about the political action of joining a union. It was this political realisation that made it possible to suddenly engage in a political allegiance that had hitherto been ignored and denigrated.

# THE NEGOTIATION OF OUTCOMES: A UNION OF BUSINESSES

The CFMEU then entered into negotiations with EGL on behalf of its new members. First, CFMEU staff outlined available options to the Association, emphasising that EGL had at the time no workforce capable of honouring its own contractual obligations. Although about a third of the workforce, (those who had ratified their contracts), were already working these workers constituted only a fraction of the labour-power required to fulfil the log intake requirements of all of the sawmillers within the EGFMA. Given this shortage of log supply, EGL directed that the log timber that was harvested be delivered firstly to the six mills that Humphrys and Andrews operated. This meant that the remaining fourteen EGFMA sawmills received only the log timber surplus to the initial volume requirements of these six mills. In all cases, the non-Andrews/Humphrys sawmills received only a minority of their total licensed volume, some mills received no timber at all. EGL was therefore failing to deliver on its contractual obligations, since the licensees that made up the Logging Group were not receiving the log volumes for which they were licensed, and were contractually bound to receive. If sawmills were not receiving log timber from EGL, the contracts of sale between those sawmillers and DNRE could not be honoured. As the CFMEU were sure to point out, this exposed DNRE and EGL as acting illegally.

Despite the concerns raised by the CFMEU, and the continued refusal of the Association's members to ratify their contracts and begin work, EGL persisted in its campaign. This policy was most likely maintained in the hope that enough of the recalcitrant workforce would eventually sign on, and leave the still-uncommitted logging contractors and carters with no choice but to work for EGL or risk being out of employment altogether. EGL knew full well that the longer the process was stalled the greater would be the chances of coercing more contractors back to work. The striking contractors had not received any wages since the third

week of December, a period of around five weeks. EGL hoped that the resulting hardship would persuade most to return to work. Midway through January 1998, EGL gave the unsigned loggers and carters an ultimatum - possibly empty, but nevertheless threatening - to sign the contracts by 21 January or lose all hope of being able to work in the EGFMA.

Advised and supported by the CFMEU, the Association drew up further revisions to the existing draft contracts, identifying specific employment conditions that were to be sought. The key issue for the Association was that each contract be of equal duration, so that by the time contracts expired, logging businesses would be able to collectively bargain. If the expiry dates had been staggered, as they were in the existing contracts, no bargaining power would exist: the workers would be in and out of their contracts at different times. Another important issue for the Association's members was the inclusion of a gradient factor that would be applied to the harvesting rate payment. A harvesting rate would thus be determined that reflected the steepness of the coupe. A steeper coupe, more difficult and expensive to log, would attract a higher rate. This condition was important for the logging contractors since it acknowledged not only the preponderance of steep coupes in the EGFMA but also sought to redress the recurrent unfairness in the distribution of coupes to logging crews.

Under such sustained pressure from the Union and the Association, EGL reluctantly acquiesced to the Association's requests. New contracts were drafted and on 27 January 1998 and all loggers and carters signed their revised contracts. They returned to work the next day, after securing all the contractual revisions that the CFMEU, their union, had lobbied for. Jim Langton, a logging contractor, remarked to me: "When push comes to shove, you want the union on your side". The Association had by this stage already paid its members' union fees in advance

and had arranged professional union support for the next phase of contractual negotiation in three years time.

In sum, by defying the pressure from the sawmillers, the Association was able to secure improved working conditions for its members. While this may seem at first glance a moderate achievement, it was actually highly significant. The Association's success in this political struggle was largely due to the fact that the members of the Association took what was for them the novel and radical action of joining a trade union, and then, most importantly, withholding their collective labour. Previously, such an action had been routinely decried. It was seen as the antithesis of the qualities of self-reliance, individualism and diligence that were so highly valued by logging contractors and carters. In order for loggers and carters to change this political stance, they had to be persuaded that the status and security of their individual family businesses would not be undermined or lessened by this radical action, and, indeed, that these individual family interests would be enhanced.

It was this realisation that allowed a fragmented and mutually distrustful aggregation of small businesses to recognise their objective class interests as a forest workforce, and to subjectively realise these through political action, that is, by becoming union members. Yet in doing so these logging families were still responding to and safeguarding their traditional individual priorities. Furthermore, in taking this novel, concerted action they were demonstrating their own social and political agency, not just in relation to the local sawmillers and DNRE's attempts to alter the local relations of production, but ultimately to the changes in international modes of production. Local loggers and carters could not alter the fact that East Gippsland had become a regional economy dominated by large-scale paper trade emanating from Japan. They could, however, find a way to ameliorate some of the local effects that were destructive of their mutual interests: the prosperity and

security of family life in East Gippsland. The prospects for class-based political action had been actualised. This instance of class mobilisation was based around two objective conditions. The first of these was the subordination of logging and cartage work to the powerful forces of both sawmillers and of forestry policy as implemented by DNRE. A collection of individual logging and cartage businesses recognised their shared interests in improving their employment lot within the timber industry. Secondly, the articulation of these class interests was expressive of another objective relationship, that is, the distinctive regional class interests that have emerged concurrent with the increasing internationalisation of domestic economies. It is to a discussion of this class dynamic that I turn in my final chapter. Anthropology remains in a privileged position to analyse the development of such regional class dynamics.

\* \* \* \* \* \* \* \* \* \* \* \*

On 10 December 1997, before contractual negotiations had begun, I had asked Michael Rossi what he thought of the Association's political hopes. He had said:

. . . it depends on how the contractors and everyone else sticks together. It's got to be a uniform voice. Everyone on their own and it's just chaos.

The events of the following weeks confirmed his judgement.

**CHAPTER SIX** 

CONCLUSION: REGIONAL FOREST 'AGREEMENT'?

By the beginning of February 1998 all East Gippsland contractors and carters were

back working in the coupes and on the roads of the EGFMA. At a cosmetic level,

no changes to the local economy were evident. It was the same collection of men

working, the same trucks and logging machinery and the same long hours as had

previously been the case. However, these similarities belied crucial changes that

had taken place in the structure of employment. From 1998 onwards, every

contractor and carter would be guaranteed employment by virtue of a contract with

East Gippsland Logging. Most significantly, many of the terms and conditions of

these individual contracts were secured through negotiations between the CFMEU,

who negotiated on behalf of many contractors and carters, and EGL. Loggers and

carters had mobilised as a collective group, and had pursued their shared class

interests. In doing so, these loggers and carters had acquired a real legal stake in

the operation of the local log economy. Their strong political will to maintain such

a status was reflected in the decision the Association members made to join the

CFMEU, and to have the union negotiate on their behalf when the contracts were

due to expire in 2001.

RESISTANCE TO DOMINATION

The logging and cartage workforce staged a campaign of strategically organised

resistance during the labour dispute of 1997-98. This workforce resisted

domination from two basic sources. Firstly, loggers and carters stood up to the

sawmillers on whom they were reliant for work. Secondly, this industrial action

also involved resistance to DNRE, whose policies and bureaucratic procedures loggers and carters were bound by. By tendering forestry operations in the EGFMA, DNRE sought to regulate logging production. In this way, the relationships of loggers and carters to both sawmillers and DNRE were to be formalised in a certified agreement. It was not surprising, then, that the tender process was keenly seized by sawmillers and loggers as a window of political opportunity.

Loggers and carters tried to gain more control over their working lives in two basic ways. Firstly, through trying to win the contract by tender, and secondly, through the negotiation of the terms and conditions of their employment contracts. The motivation for such actions was a desire to ameliorate the burden of the capital and labour costs that constantly beset logging work. In short, logging businesses sought some certainty in their employment. They sought to achieve certain conditions that would enable the pressing financial undertakings of logging to be better met. It had become all too clear to loggers and carters that the government would not act to guarantee any such conditions of employment short of basic occupational health and safety guidelines. Loggers and carters could not rely upon sawmillers to look after them either. In previous years, sawmillers had demonstrated their clear interests in stimulating competition between logging contractors and thus lowering their own log supply costs. Loggers and carters were in an unenviable position; they remained alienated from the agreements struck between DNRE and EGL in relation to the commercial guarantees enjoyed by sawmillers, yet they were still subject to the arrangements struck between government and licensees.

The inequality of this triangulated relationship was felt most keenly through the system of wages that prevail in the logging industry. Piece-rates, as well as actively stimulating competition between individual contractors, ensure that all the

costs associated with interruptions to work are passed down to the base of the industry - the forest floor. In a workplace (the forest) that frequently experiences stoppages because of wet weather and environmental disputes, 'down-time' is considerable.<sup>39</sup> The constant demands of business expenses (machinery loans, fuel, labour and insurance) exist in perennial tension with this inconsistent pattern of logging work. The effects of this wage system are inescapable. The effects are that the financial obligations of running a family logging business are of foremost priority for all contractors. For many, honouring these obligations proves untenable. Wood Utilisation Plans (WUPs), the cornerstone of DNRE's forest management strategy, dictate that certain volumes of log timber be extracted over certain periods, and designate coupes to facilitate this extraction. designed and implemented so as to honour the commercial agreements that exist between DNRE and licensees. It is logging crews, however, that must log these coupes, however impractical that may be, so as to meet the commitments undertaken by DNRE. As Chapter 3 highlighted, this is invariably a difficult and costly task. East Gippsland is not unaccustomed, however, to such governmental, bureaucratic and political entanglement. The web of governance has been spread over the region, in particular its forests and forest workers, for several decades. In fact, the immediate history of logging in East Gippsland is one of increasing subordination to ever more complex bureaucratic regulation and increasing political tension.

## THE TIGHTENING NET OF GOVERNMENT

The increased government regulation has purported to meet the commercial demands of both paper manufacturers and sawmillers, and the environmental

<sup>&</sup>lt;sup>39</sup> Many contractors base business plans around an estimate of having 150 working days available to them a year.

standards that the wider public routinely demands from forestry practices. Principles of environmental management have steadily been introduced to public and private institutions to address such concerns. Clear felling was introduced to the EGFMA between 1967 and 1970, yet as early as 1975 the newly formed Land Conservation Council (LCC) had been commissioned to conduct the first of many comprehensive land use surveys of the East Gippsland area. These studies were solicited by various Victorian state governments to provide the government with technical advice on the social, economic and ecological viability of particular types of land use (Beacham 1987, Bould 1986, LCC 1985a and 1985b). Without a doubt, logging of native forests was one of the most important political issues of the late 1970s, 1980s and 1990s. The LCC, which was increasingly called upon to conduct Environmental Impact Studies (EIS), acted as an ideological filter for nascent public environmental values.

For the environmental lobby in Victoria the political outcomes in East Gippsland were a significant success. Substantial reduction in levels of saw log harvesting were achieved and political pressure forced the introduction of woodchip trials, rather than developing more woodchip-based projects with greater haste.<sup>40</sup> LCC research was always interpreted and promoted according to prevailing political decisions and environmental expediencies; it punctuated government controversies. The government would cite LCC research to support particular policy decisions, or solicit it so as to postpone decisions. Three separate moratoria on woodchipping in East Gippsland were called in the 1980s, as political parties hopeful of forming government jostled with each other for the growing environmental vote, and the support of timber industry associations and forest sector unions.

 $<sup>^{40}</sup>$  Ostensibly, these woodchip trials were designed to assess the viability and practicality of a woodchip trade from the EGFMA.

In 1984, after several environmental blockades galvanised public concern about native forest logging in East Gippsland, the Victorian State Government commissioned the Timber Industry Inquiry (the Ferguson Inquiry). The Ferguson Inquiry aimed to establish some certainty to the tenure of crown land in East Gippsland, and to recommend appropriate harvesting levels. Since the late 1970s additions to the National Park system and to other conservation reserves had been made haphazardly by a succession of Commonwealth Government Ministers. The Timber Industry Strategy (TIS) that was introduced in 1986, which purported to implement the findings of the Ferguson Inquiry (Government of Victoria 1986, Ferguson 1985), was hailed as a success by the incumbent Labor Government. However, the TIS did nothing to stabilise the tenure of crown land in East Gippsland or to bring any coherence to the policy on woodchipping.

These two issues, the tenure of forest land and woodchipping, which so materially affected the everyday business of logging and log cartage, were determined by distant political machinations in either the state or federal capital. The clearest example of this was that the woodchip trial that the TIS had recommended was suspended when a new Labor Government was elected in 1988. What this clearly indicates is the profound effect that the woodchip industry has had on one Woodchipping introduced a whole range of particular region of Australia. harvesting and management procedures which created the capitalist opportunities But the introduction of that loggers and carters were to able to access. woodchipping also underpinned an entire regime of environmentalist activism and concern. The forest revolution brought about by woodchipping was a doubleedged sword. Whilst it gave loggers and carters working lives and business opportunities, it meant that these work practices came increasingly under governmental surveillance, and the local timber industry was increasingly subject

<sup>&</sup>lt;sup>41</sup> The traditional division of labour established by the Constitution, with the Commonwealth being responsible for National Parks and the states for forest management, remains today.

to larger and much more pervasive economic trends. So as the region's forest economy became more and more closely tied to economic developments at a broader level the environmental political focus that could be turned on East Gippsland became ever more sharp. East Gippsland thus became a political problem for the government.

The business of logging and cartage was no longer a local affair, run according to informal arrangements negotiated among local stakeholders. Instead it was something that was administered and dominated by a government increasingly responsive to non-local political imperatives. From the 1970s onwards, and culminating in the tender process of 1997-98, it repeatedly became clear that the needs and concerns of small forest businesses were secondary to both the needs of bigger business and the sensitivities of party politics. Logging and cartage, the subordinate service industries that sprang up around foreign woodchip extraction, were, and continue to be, very low priorities for governments and forest bureaucracies alike.

Whilst state and national-level attention on native forests increased, local disquiet increased also. Dissatisfaction with such a transparently ineffective political process was expressed by many East Gippsland residents in a number of mass protests. The first significant East Gippsland protest can be traced to 1984, when several hundred timber workers rallied on the steps of the Victorian Parliament. This protest was prompted by a government moratorium on logging in the Rodger River Block, a high yielding timber area near Orbost (see Chapter Two). In 1986, when the TIS postponed woodchip sales pending further studies, sixty log trucks were used to blockade the Princes Highway. Four years later, another mass protest was staged at the Victorian Parliament, after the Victorian Government, backed by the Commonwealth Government, withdrew 6,500 hectares of forest from an already scheduled Wood Utilisation Plan. At this protest, Peter Williams attained

some notoriety by driving his bulldozer up the steps of the Victorian Parliament House.

However, the biggest political demonstration of the timber industry occurred in late January and early February of 1995 (Peace 1996). It was then that between six and seven thousand timber workers and their families from New South Wales, Victoria and Queensland blockaded the Commonwealth Parliament in Canberra. The blockade was protesting against the cessation of logging plans in 509 coupes nationally, 92 of which were located in the EGFMA. Loggers and carters led these protests and the most potent indication of their seriousness was the presence of log trucks and logging equipment at the blockades. Workers were willing to sacrifice their most precious and valuable resources, time and their machines, to make a powerful political statement.

These incidents clearly reflect two things. The first is the thorough alienation of the East Gippsland forestry community from processes of decision-making, policy formulation and public debate.<sup>42</sup> Secondly, these incidents also make clear the acute reliance of the East Gippsland community on these government processes. The small community of loggers and carters have not been successful in their efforts to change the decisions of governments. The arguments of this small sector, which are easy to construe and dismiss as short-sighted, parochial, and lacking in social and ecological vision, do not have as much currency as the discourse of environmentalism. It is not difficult to see why. Environmentalists marshal a broad and powerful coalition of people skilled in political argument and persuasive in public debate. By contrast, forest communities have no such luxury:

<sup>&</sup>lt;sup>42</sup> Forest-related research has not been limited to environmental impact studies or ecological inquiries; value-adding, pulp and paper mill feasibility studies have also received voluminous bureaucratic attention (ACF 1982, 1986, Beacham 1987, Bould 1986, Christoff 1986, Drew 1988, Ferguson 1985, LCC 1985).

they are not in a position to change their jobs and lives, nor to attract champions to their cause.

#### DOMINATION THROUGH AGREEMENT

In 1994, the Commonwealth Government announced that it would broker Regional Forest Agreements (Commonwealth of Australia 1996a). RFAs purported to build on the principles of the National Forest Policy Statement of 1992 and to at least partially placate the interests of environmental groups, the timber industry lobby and regional forest communities. In November of 1995, the then Prime Minister Paul Keating, seven months after he had been besieged by angry loggers and carters on the steps of Parliament House, sought leave from the Speaker of the House to deliver a statement on forest policy. This is what he said:

The perception of an irresolvable conflict between the environmental and commercial values of forests has produced deep divisions in the Australian community. The debate presents itself as a conflict between absolutes: the absolute necessity to protect these priceless parts of our environment, and the absolute necessity to protect Australia's economic interests and the well being of Australian working men and women.

The conflict is easily understood. No Australians want to see these forests destroyed or damaged beyond repair. Nor do they wish the see the economic interests of Australia damaged or the livelihoods of their fellow Australians threatened.

We on the Government side number ourselves among these Australians.

No policy is going to satisfy everyone. Neither side of this debate can expect to get everything they want. The aim is to see that Australia is the winner, that the Australians of the next century are the winners. In the end, the essential goal is the protection of the long term national interest (Commonwealth of Australia 1995:3)

The RFAs would be co-ordinated by a multi-departmental task-force and the process would involve, according to the government, extensive community

consultation. Different regional areas were identified: East Gippsland, the southeast of New South Wales, the Otways, Tasmania and Victoria's Central Highlands were but some of the regions that were subjected to an exhaustive review process. Ostensibly, the primary means by which the RFAs were to appease stakeholders was in the delivery of certainty to the tenure of forested land through the ratification of a twenty-year agreement. This would guarantee log supply to industry without the threat of access to logging areas being curtailed at short notice.

Much of the research effort of the RFA process was dedicated to identifying regional and social stakeholders, of researching, calculating, predicting and controlling the political will of forest communities. Both implicit and explicit to the concept of a regional forest 'agreement' is the belief that mutual consent between divergent political interests can be engineered by bureaucratic research, administration and legislation. To believe in the RFA, one would have to believe that the social and economic antagonisms arising out of a productive process can be overcome by 'agreement'.

#### REGIONAL FOREST 'AGREEMENT'

East Gippsland was the first region to go through the RFA process. The RFAs, however, were not something that Prime Minister Keating's government was able to ratify. It was left to the succeeding government, and Prime Minister Howard, to announce Australia's first Regional Forest Agreement in February of 1997. Despite the past animosities between the state and federal governments over forest issues, both the Victorian Premier Jeff Kennett and the Prime Minister John Howard were united and unequivocal in their support of the RFA process:

The RFA will give greater certainty to access to timber resources, providing the basis for investment in the timber industry and the creation of new jobs - providing an estimated \$140 million boost for the economy.

The lead up to today's historic signing has involved extensive cooperation between the Commonwealth and State Government.

The Regional Forest Agreement is a result of a great deal of hard work and commitment on the part of everyone involved including scientists, researchers, officials and community groups. It is also a credit to all those members of the public who took part in the extensive consultation process, workshops and public meetings (Office of the Prime Minister 1997:1)

The rhetoric of the RFAs, whether espoused by Labor or conservative governments focused on the same basic theme: that certainty of land tenure in forest areas would be delivered. The delivery of such certainty would then result in the subsequent consolidation and promotion of economic and employment opportunities as well as the protection and promotion of environmental values on the other. Whilst the RFA may have provided a twenty year guarantee of harvestable saw-log volumes for sawmillers, neither the RFA, nor any DNRE policy, brought any such security to the loggers and carters of East Gippsland. Thus, the pronouncements that attended the RFA sounded exactly like what they were: political rhetoric.

The twenty-year certainty that the RFA did provide was an assurance that was only of benefit to sawmillers who bought logs under long-term licences from DNRE. 43 The RFA did nothing at all to change the two fundamental and more pertinent aspects of industrial uncertainty that have dogged the logging and cartage businesses: firstly, the unsatisfactory employment arrangements between sawmillers and loggers and carters, whereby no work can be guaranteed; and, secondly, the work stoppages incurred by environmental protests. No loggers and carters could expect the main impediment to work, wet weather, to be changed by government legislation and policy. However, they could reasonably expect the

<sup>&</sup>lt;sup>43</sup> Saw-log licences are customarily negotiated for seven-year periods.

RFA, if it was the 'Agreement' it claimed to be, to arrive at an arrangement that prevented the 'down-time' and danger associated with blockades. Such reasonable expectations were not met by the RFA process. It was a six month long protest that took place in the Goolengook forest northeast of Orbost not long after the ratification of the RFA that demonstrated this failing most clearly. It was the duration of this protest that prompted the logger Kevin Daniels to say: 'the RFA is not worth the piece of paper that it's signed on.'

Between June and November of 1997, over one hundred and fifty protestors, including high-profile Greens politician Senator Bob Brown, were arrested for 'obstructing forest operations' at Goolengook. These protests required constant police intervention to remove people who had locked themselves to logging equipment and who had blockaded coupe access roads. Such obstruction, which robbed logging crews and log trucks of the time that is so precious to them, demonstrated most clearly the thorough irrelevance of the RFA outcome. Sawmillers benefited from the extension of their saw-log licences, whereas for the loggers and carters the RFA meant business as usual. Loggers and carters were most incensed by the public endorsement of the RFA by Trevor Andrews, the dominant East Gippsland sawmiller. A DNRE brochure that featured Andrews' endorsement of the RFA highlighted the hypocrisy of the process. It was reported that:

the RFA gives him . . . (Andrews) . . . and others in forest-based industries the confidence to begin marketing their value-added products on the world scene with a newly-won sense of security (DNRE 1997b).

For loggers and carters, the RFA process resulted in a further consolidation of the class relationships whereby sawmillers dominated loggers and carters. The RFA did not address any of the problems associated with the prevailing wage system and did not do anything to ameliorate the effects that forest blockades had on

logging crews and carters. The RFA was merely another step in the government's increasing emphasis on the interests to whom it has the greater commercial commitment: the licensees of saw-log and residual log timber. The commercial relationships between DNRE and its licensees continue to be the dominant economic imperative that drives regional forest policy. In East Gippsland, it is the Humphrys/Andrews-dominated EGL that has the ear of DNRE and government. Andrews and Humphrys are major employers in East Gippsland, and are quick to promote this status in political debate. In a period of declining regional employment, Andrews and Humphrys are consistently able to mount persuasive political arguments that underscore their importance as employers.

The RFA was of little interest to the contractors and carters because it confirmed what had been happening for decades already. Governments, through everchanging bureaucratic structures<sup>44</sup>, have become increasingly entwined with the interests of big(ger) business. This is particularly so in the case of Australian forestry because it is an industry that depends so heavily on the use of public land. Woodchipping has dominated the public forest landscape physically and commercially. Given the harvesting regimes that woodchipping has entrenched, it is very difficult for domestic sawmillers to survive. This has inevitably forced the closure of smaller mills and the increasing capitalization of remaining mills, and a subsequent decline in employment. A tense class relationship is thus routinely engendered. Governments, as the 'owners' and 'managers' of log timber, strive for stable conditions that are conducive to attracting capital to Australian forests. This process of attracting capital has become more and more competitive as transnational paper manufacturers seek woodchips at lower costs from other

<sup>&</sup>lt;sup>44</sup> A pertinent example of the alienation of local people from government administration is in the inattention to the name changes of the state government's forest agency. The three names prior to DNRE were the Department of Conservation and Natural Resources (DCNR), the Department of Conservation and Environment and the Department of Conservation, Forests and Lands (DCFL). It was much more common for people to refer to DNRE by the name of one of its three former incarnations.

supplier nations. Sawmillers are subject to the vagaries of the building industry and burgeoning competition from softwoods and imported timbers. They too are seeking to reduce their own supply costs and decrease the intensity of competition that they experience from rival sawmillers.

Loggers and carters sit at the bottom of this hierarchy and consequently experience all of these downward pressures. The struggle to log coupes profitably arises directly from the decision of woodchip companies to source material from cheaper areas. The constant uncertainties associated with piece-wages stem from the sawmillers deliberate attempts to stimulate competition between contractors so as lower log supply costs. These class dynamics are inescapable features of the work of contractors and carters. The question then remains: why were logging contractors and log carters so keen to keep working within such an exploitative industry?

### THE IMMOVABILITY OF CAPITAL

Unlike paper manufacturers, logging businesses possess capital that is neither fluid nor moveable. Not only is the capital value of logging machinery and trucks small, but it is capital that can only be activated in very particular circumstances. The capital of a logging business only has value in logging areas, in good weather, and only when enabled by the dictates of government policy and bureaucratic procedure. A logging contractor can only ever move his machinery to another logging region. Making such a move, as some contractors do, will always be difficult. Viable logging areas have no shortage of willing contractors and any

move will involve not only the costs of re-location but the greater cost of downtime: no income yet persistent financial obligations.

There is, however, another reason why the capital value of logging and cartage businesses is neither fluid nor moveable. As explained in Chapters 2 and 3, logging businesses are inextricably set up by families, and are indelibly linked to family aspirations such as the purchase of a house, property or car. The pursuit of these family goals is necessarily long-term and involves significant opportunity costs. Other employment opportunities must be foregone whilst logging is pursued. Thus the reliance on logging becomes greater as time goes on. This reliance on a form of capital that has a distinctly local and particular character grows greater precisely when the movements of transnational capital (the capital invested in paper manufacturing, finance capital, information technologies and major transport such as shipping) become more complex, elusive and unpredictable. The networks of production and consumption will spread more broadly and more intricately across the globe.

The proliferation of new governmental and bureaucratic arrangements at the domestic level has the effect of, in turn, re-structuring more immediate and local divisions of labour. Such processes, such as the East Gippsland tender process of 1997, unleash class forces within a regional economy that produce profoundly reflexive behaviour from a host of local social actors. As the movements of capital grow ever more elusive and the responses of government increasingly complex, it is by no means a foregone conclusion that regional communities will disband. In fact, there is strong evidence to suggest the contrary. Whilst governments and bureaucracies may attempt to fetishise regional communities in pursuit of their own policy objectives, these same regional communities will develop their own means of moving forward. The importance of micro-ethnographic analysis in elucidating the complex histories of such behaviour is paramount. Without such

analysis it would be impossible to understand just why and how small local players are able to be politically effective in the midst of grossly asymmetrical relations of power.

This is not a phenomenon confined to timber communities. Another current example is the township of Coolah in central New South Wales. Being relatively isolated from major service centres, Coolah has experienced a steady decline in employment and services in the last decade. The effect of the closure of the town's sawmill on the local community is summarised by Peace (1996). Coolah was one of many towns to raise concerns about the loss of financial services as the major banks moved more into electronic trading. The privatisation of Australia's principal telecommunications network, Telstra, also elicited many concerns about the possible negative effects on regional access to the communication services that are so integral to competitive business practices. Rather than wait for this debate to be waged between antagonistic political parties and professional lobby groups, the Shire Council of Coolah developed its own political strategy. It put all of the region's communication operations, including telephone and internet services up for tender. Coolah would not wait for the fall-out of the government's political fight. Instead it has forced business and government to compete for the right to its custom.

East Gippsland has also recently undergone a political change that warrants mention. The towns of Orbost and Cann River have fallen with the state electoral boundaries of Gippsland East, a traditionally safe National Party seat. However, the September 1999 state poll saw the election of the Independent MP Mr Craig Ingram. A local abalone diver, Ingram successfully based his campaign around the fight to 'Save the Snowy'. The Snowy River runs through Orbost but has flowed little since it was diverted to fuel the Snowy Mountains Hydro-Electric scheme. It was a deal between the Victorian, New South Wales and Commonwealth

Governments that saw the flow of the Snowy River diverted from East Gippsland; now East Gippsland has made a political deal of its own to pursue its own regional goals. The particularity of the regional topography is inescapable, as is the local desire to protect it. This, as both the former Gippsland East member of parliament and the former state government found out, is something that political parties cannot legislate away.

The increasing vulnerability of domestic economies to international economic conditions means, inevitably, that changes in the global division of labour will be amplified more readily across many national boundaries. Such a trend seems likely to increase in the future as governments grapple with the elusive movements of international capital and the challenges of governance associated with this. For many regional populations the policies of governments will seem little more than distant platitudes. It will not be unusual to see ordinary people taking policy and politics into their own hands. This will provide extraordinarily rich ethnographic challenges for anthropologists. From the perspective of public policy, such detailed ethnographic commitment is necessary if we are to understand what the implications of globalisation are, and to find some way around the more negative and destructive elements of this continuing economic and political process. But whilst policy-makers and politicians persist in using analytic categories such as 'industry' and 'small business', and of late, 'regional' and 'rural', without reference to the material genesis of specific social and economic configurations, this shift will simply not occur.

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