

# INDUSTRIAL RELATIONS CHRONICLE

JULY 1977

During a strike by members of the Fijian Waterside Workers and Seamen's Unions, the New Zealand Federation of Labour imposed a ban on all shipping worked in Fiji by non-union labour until the pay dispute between the unions and the Fiji Ports Authority was resolved. The general secretary of the Fiji Trades Union Congress accused the FOL of interfering in domestic Fijian matters without the consent of the Congress, and the Prime Minister of Fiji, Ratu Sir Kamisese Mara, said that his government would not be dictated to by outsiders or subject itself to the colonialism of foreign trade unions. After a clash with local police, seventeen New Zealand seamen from the Union Steamship Company vessel *Ngahere* were arrested in Lautoka. The seamen pleaded guilty to charges of having obstructed the police when the *Ngahere* was ordered to move from the wharf at Lautoka and, in support of the striking Fijian dockworkers, they had refused to move the ship. They were fined by the court and placed on good behaviour bonds for one year. About 5,000 people marched through the streets of Suva in a rally protesting interference by New Zealand and other foreign trade unions in internal Fijian affairs. Sir Tom Skinner, President of the New Zealand Federation of Labour, said that the row over the FOL's action had been built up as a political stunt preceding elections for a new government in Fiji. Mr Muldoon claimed that a member of the Communist Party of New Zealand had played a prominent part in the incident involving members of the *Ngahere's* crew.

After further discussions, and temporary breakdowns in discussions, between the government, the employers and the unions on the wage fixing procedures to be implemented following the expiry on 14 August of the extended wage freeze, government announced that from that date the parties would be free to negotiate rates of pay without direct government intervention. This return to free wage bargaining meant that, for the first time since the passing of the Stabilisation of Remuneration Act in 1971, legislative restraints on wages were

removed. The removal of restraints was announced, however, with a warning from the Prime Minister that, if the government felt that wage demands were getting out of hand, fresh wage controls would immediately be imposed. Neither Mr Muldoon nor the Minister of Labour, Mr Gordon, were prepared to indicate what the government would regard as a reasonable level of wage settlements.

Following a dispute at the Ocean Beach Freezing Company in Bluff, the Minister of Labour announced that the Cabinet had instructed the Crown solicitor in Invercargill to prosecute both the workers and the management of the company. Using its powers under the 1976 amendments to the Industrial Relations Act, the Crown would allege that the workers had walked off the job without giving adequate notice and had left livestock in an unprocessed state, and that the management had begun paying a new wage rate to the workers without ratification of the new rate by the Industrial Commission.

The Minister of Labour announced at the National Party Conference in Dunedin that he had written to the Federation of Labour listing five unions in which ballots on voluntary unionism — that is on the retention or otherwise of the unqualified preference clause in their respective awards — would be held. It later transpired that these unions were the Canterbury Rubber Workers' Union, the Golden Bay Cement Works Employees' Union, the Portland Cement Works Employees' Union, the Auckland Paint and Varnish Workers' Union and the North Island Chemical Fertilizer Workers' Union. The Prime Minister told the same conference that the FOL would be wise to co-operate on the ballot issue or face the prospect of legislation to make every union voluntary until its members voted to make it compulsory. Sir Tom Skinner said that there was no reason for the FOL to change its policy of not helping with the administration of the ballots.

The government announced in the Budget that a profit-sharing scheme would be introduced to improve the ability of efficient

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and profitable firms to attract staff for expansion. Further details would be announced after consultations with the major interest groups.

Trade union leaders of the textile industries of eight countries met in Washington to discuss the anti-union attitudes and practices of the giant American textile firm of J. P. Stevens and Company. J. P. Stevens has a 50 per cent interest in the Stevens-Bremner (NZ) Ltd Carpet and Textile factory at Foxton. The General Secretary of the Federated Clothing Trade Employees Union and the Secretary of the Federated Woollen Mills, Carpet and Hosiery Workers' Union (Mr Frank Thorn and Mr Lou Armitage) attended the meeting with the approval of the FOL. The New Zealanders voted along with the other countries represented to boycott the firm on the grounds of their violation of U.S. Trade Union Laws.

#### AUGUST 1977

The Federation of Labour considered plans to run its own ballots on the question of voluntary or compulsory unionism rather than allowing State-run ballots. An alternative course for the government to take, suggested the FOL, was to ratify the International Labour Organisation Convention 87 on freedom of association and protection of the right to organise. Under that convention, said Sir Tom Skinner, "the Government could not interfere in the administration of running a union, not even approving its rules as it does now." The Government, which had for some time been looking at the question of ratifying Convention 87, was surprised at the proposal of the FOL national executive but agreed to consider the implications of ratification. (Details of the Convention are included elsewhere in this issue).

Free wage bargaining returned as talks on the Metal Trades Award and the Drivers' Award got under way. Within ten days the metal trades award negotiations, which were expected to set basic wage movement levels for other industries, broke down.

#### SEPTEMBER 1977

The North Island Electrical Workers' Union announced plans both for state action and for the prosecution of three cabinet ministers — the Minister of Labour, the Minister of Energy and the Associate Finance Minister — for alleged interfer-

ence with a Conciliation Council. The employers' assessors resigned when an offer of pay increases of between 7.4% and 9.4%, verbally agreed between the parties, was withdrawn following a meeting between employers' representatives and the three ministers. The Minister of Labour, Mr Gordon, denied that he and the other ministers had directed the employers to withdraw their offer. FOL secretary, Mr Jim Knox, said that there appeared to be blatant interference in the negotiations by the three ministers, and the union general secretary, Mr Tony Neary, said that the affair demonstrated that free wage bargaining was a myth. The Electrical Supply Authorities Association indicated that they were in no doubt that Government intended to nationalise them if they agreed to a 9.4% wage rise for their 3500 workers. The Prime Minister said that power supply authorities had offered electricians in some areas wage increases totalling 14.4% and that this was beyond the 'moderate' level of wage increase the Government considered necessary if free wage bargaining was to continue. The Leader of the Opposition, Mr Rowling, said that the electrical worker had been "trampled on by Ministerial boots."

After a meeting between the FOL president and the Prime Minister, Sir Tom Skinner said that the Government had given an assurance that there would be no interference in wage bargaining while a Council is in conciliation or while workers and their employers are talking. Mr Muldoon said that the Government had hoped that a major award such as the metal trades award would have acted as a trendsetter but a complex award, that of the electrical supply workers, had intervened. He said that there was no guideline figure on limits for wage negotiations but that a 9.4% increase would be unreasonable. Sir Tom Skinner said that the original understanding that if the Government considered wage increases exorbitant it would intervene still stood, but that the employers and unions were in a difficult situation since no one knew what an exorbitant settlement might be.

Later in the month the planned strike by members of the Electrical Workers' Union was called off at the request of industrial conciliator, Mr S. J. McConnell, and the employers and union resumed their pay talks. On 20 September 7.4% pay increases

were agreed for workers in Wellington and Auckland with 9.4% rises for workers in other areas.

The number of people unemployed or on special work reached its highest level since the Second World War, there being 7213 registered unemployed and 8221 employed on special work schemes as at 2 September, making an effective unemployment figure of 15,434 or just under 1.3% of the country's 1.2 million labour force.

Formal negotiations on the metal trades award resumed in Wellington on 15 September after having broken down on 25 August. At the time when negotiations broke down the employers had offered wage increases of about 5% and the Engineers' Union had been prepared to accept around 8.7%. On 16 September a 7.5% increase in the metal trades award, covering more than 25,000 workers, was agreed. The Prime Minister said that he saw the settlement as the key to a quieter industrial scene.

The ten man executive of the Timber Workers' Union South Auckland branch was suspended from office at the request of the union's national secretary, Mr R. C. Hamilton. A special national council meeting in Rotorua suspended the branch executive for its part in promoting a rebel movement within the union and placed the affairs of the branch in the hands of a 'national custodian committee.' The rebel group continued to express its dissatisfaction with the management of the union's affairs.

In Fiji, the leader and seven top officials of the Fiji Waterside Workers and Seamen's Union were jailed for six months after being found guilty of organising an illegal dock strike in July. In addition the Union had its registration suspended for the failure of the union treasurer, the only official not jailed, to produce the union's financial records.

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## NEWS and VIEWS

### WELLINGTON:

\*Carol Fuller

#### WAGES AND WAGE BARGAINING

The Department of Labour announced in July that the Average Ordinary Time Weekly Earnings had increased by 7.7% in the six month period October 1976 to April 1977, bringing the April figure to \$118.16. The increase for males was slightly greater than that for females, but the timing of the survey meant that the effects of the final step of equal pay for women had not been included.

At that stage the Minister of Labour was talking to the Employers Federation and the Federation of Labour on the wage fixing provisions to be implemented with the expiry of the Wage Adjustment Regulations in August. Although a number of possibilities were canvassed, it appeared that the final decision was left to the Government in the absence of any other mutually agreed formula. The Government announced at the end of July that there was to be a return to free wage bargain-

ing. The Prime Minister indicated, however, that if things "got out of hand" full controls would be reimposed immediately. Conciliation hearings in the 'new round' commenced on a number of agreements. The 'Free Wage Bargaining' provisions almost came unstuck when there was alleged Government interference during the settlement of the Electrical Supply Authorities instrument. The threat of a national stoppage by the Electrical Supply Authorities workers prompted the Prime Minister to say that the 9.4% increase being considered was unreasonable but the 7.5% increase agreed for the Metal Trades was within the guidelines he had in mind. This was the first indication to the parties of what the Government considered to be "reasonable" under the new system. In fact the Electrical Supply Authorities 9.4% was later proceeded with since it represented a 7.4% increase plus 2% to account for a special increase to be paid to State Services tradesmen to whose rates the Electrical Power Supply Authorities employees' rates are linked.

Since the implementation of free wage bargaining, agreements reached in the new round have averaged about 7.5%.

\* CAROL FULLER is on leave from the Department of Labour.