

INDUSTRIAL RELATIONS CHRONICLE

OCTOBER 1979

The drivers' pay dispute came before the Arbitration Court on 1 October. The Drivers Federation claimed a basic increase of 13%, or 2% higher than it had agreed to earlier with the employers. The court awarded a basic rise of 10.5%, but with a sharp increase in service allowances, which brought the overall rise close to 11%, the figure which the government had considered unacceptable. The term of the award was for 12 months.

The government announced that it would not interfere with the drivers' award and that it would allow transport operators to pass on to the public the cost of the pay increases. It did however proceed with the Commerce Amendment Bill which authorises Cabinet to limit profits and freeze prices selectively. These powers, said government speakers, would be used against firms which bowed to excessive wage demands and then sought to pass on the costs in higher prices.

The government also used its powers under the Remuneration Act for the first time on 13 October, when it issued regulations to cut back a chemical handling allowance in the proposed freight forwarders' wage settlement from \$6.40 to \$1.80 a week. The employers had already agreed to these allowances and the whole award was to be considered at a Conciliation Council meeting later in October. In the previous April the government had forced union and employers to cancel an agreement for the payment of a 15 c an hour allowance for handling dangerous goods, because if contravened the rule that awards had to remain unchanged for at least 12 months.

Freight forwarding workers in Auckland struck for a day in protest against the government's intervention, and imposed a ban on the handling of chemicals. The Federation of Labour asked all affiliations to withdraw from conciliation talks for six days, pending a meeting of union secretaries and advocates to consider the government's action. Some major unions, such as the printers and hotel workers, ignored the Federation's request. A meeting of more than 500 union delegates in Auckland on 24 October pledged full support to the freight forwarders and to the Federation of Labour, and decided to canvass through stopwork meetings the idea of another general strike. That same day however, the Federation's meeting of secretaries and advocates decided to lift the boycott on conciliation talks.

The Army camp at Waiouru became an industrial battlefield when the Defence Department decided to cease employing its own cleaning staff and to give the work to a private contractor. The Wellington Caretakers and Cleaners Union claimed that the 33 cleaners, many of them servicemen's wives, would suffer a drop in wages from \$3.21 to \$2.896 an hour, and would also lose accumulated leave and sickness entitlements. The cleaners voted to strike on 6 September. The union declared the camp black and mounted a picket on State Highway One in near-zero temperatures to stop all commercial deliveries of goods. After 9 weeks on strike the women returned to work, having gained a 10.4% wage increase, a 10 c an hour site allowance, and retention of their service entitlements. On 26 October government officers told the Combined State Unions that public sector cleaners would not receive the 10.4% ruling rates survey increase because their current rates were already ahead of private sector rates.

The New Zealand Seamen's Union celebrated its centenary in October — somewhat prematurely, because the union was first established early in 1880, as the N.Z. Independent Branch of the Seamen's Union of Victoria. The celebrations, which were held in different ports in turn, were attended by invited overseas guests.

NOVEMBER 1979

Talks on a new meat workers' award, which had been abandoned in August, were set to resume in Christchurch on 1 November. Two days earlier however, workers at the Alliance Freezing Works went on strike in support of an old claim, dating back to 1973, for 8.5% back pay. The employers declared this local dispute a national issue and refused to negotiate on the award. The union then called a national strike as from 5 November. The situation was complicated by the fact that Moslem butchers were arriving from Iran to introduce halal slaughter, and any delay in the start of the killing season threatened to affect the lucrative lamb export deal with Iran.

The Minister of Labour expressed his disappointment with the employers' attitude, and after some backstage discussions the employers agreed to disregard the Alliance dispute and to resume award talks. The unions in turn called off their strike on 12 November, a day before the old award was due to expire, but continued their ban on halal killing until a new award was signed. Negotiations with the employers finally led to a settlement on 28 November, providing for a 10.4% across the board increase and an extra 67 c an hour for piece workers. A new agreement for the Moslem slaughtermen was negotiated soon afterwards.

Firemen gave the required 14 days' notice for a national strike to start on 20 November, because the Fire Service Commission refused to honour an alleged undertaking to backdate pay increases in the new award to 11 October. The proposed action was unprecedented, as the only previous strike had been confined to Christchurch where firemen ceased work for 34 hours in 1975. Stop-

work meetings of firemen throughout the country showed virtually unanimous support for strong action, but the strike threat was withdrawn on 14 November when the Commission agreed to backdate the increase.

The executive of the South Island Fire Brigades Employees Union expressed its "total opposition" to the appointment of women firefighters, after an Auckland woman (the wife of a fireman) had been refused admission to a Fire Service recruits' course. The president of the Federation of Labour upheld women's right to equal treatment, but a Fire Service Commissioner, Mr F. A. Hardy said the question of admitting women raised a whole host of problems. Firemen, he said, slept at stations, some in dormitories, and had showers together. They were "just like footballers" and women would not be socially acceptable in that environment. Members of the South Island union voted overwhelmingly in support of their executive.

The Northern Storemen and Packers Union lifted its ban on the handling of dangerous chemicals and accepted the government-imposed cut in the handling allowance.

Tanker drivers at DB breweries at Otahuhu and Mangatainoka stopped work on 31 October when their pay talks broke down. The strike was called off after a week, when the men accepted an offer of an 11.5% wage increase with an award term of 14 months. At Mangatainoka however the men held out for an additional bonus payment already paid to their Auckland colleagues. They returned to work on 14 November, when the Minister of Labour called a compulsory conference under section 120 of the Industrial Relations Act.

Auckland seamen placed a black ban on the Greek freighter *Altis*, which had been chartered by the Norwegian Jebsens Line for cross-trading between New Zealand and South Korea. Watersiders withdrew their labour, but the ban was lifted after a week when the chairman of the company, Mr Alte Jebsen, promised to fly to New Zealand for negotiations with the union. These talks resulted in an "accommodation", whereby the Jebsens Line undertook to employ a New Zealand crew in a year's time on one of its two ships in the Korea trade.

The Merchant Service Guild, which represents ships' officers, placed various restrictions on supply vessels on the Maui offshore gas field. They were concerned that a new Swedish-built supply ship, the *Stena Constructor* which was due to reach New Zealand early in 1980, would be manned by Swedish officers to the exclusion of New Zealanders. Representatives of the Swedish *Stena Line* flew to New Zealand for talks with the union and with the Shell-BP-Todd consortium.

The annual meeting of the Auckland Tramways Union decided to press for an increase in the 5c an hour above award margin paid to A.R.A. bus drivers since 1970. At that time the hourly rate was \$1.18 but it had now risen to \$3.70. Regional Authority members refuted the union's claim on the grounds that the margin had been extracted under duress, when the union refused to carry children to Eden Park to see the Queen, and that the drivers were already well paid. The union then called a stopwork meeting on 27 November, which decided to hold two pre-Christmas strikes, the first of 24 hours and the second of 48 hours, in support of their claim.

Auckland University archaeology students who were excavating ancient

Maori gardens at Wiri, called on the Labourers Union in an effort to improve their wage rates and working conditions. The University undertook to update their pay, while the students agreed that they were doing skilled research as part of their degree course, and not general labouring.

DECEMBER 1979

Hopes of averting the threatened Auckland bus strike collapsed when assessors for the regional Authority argued that far from increasing the above award margin, it should be abolished. A first stoppage took place on Friday 14 December. Last-ditch attempts to avert the second strike failed and the drivers ceased work again on Thursday 20 December. They had planned to remain on strike for a further 24 hours, but they resumed work after both parties agreed to go into formal conciliation on the dispute early in the new year. The Regional Authority offered to make an *ex gratia* payment of 4 hours' pay to compensate the drivers for loss of wages during the two stoppages.

Late in November Bank of New Zealand staff in Christchurch voted to strike on Christmas Eve, because the bank refused to give an undertaking that it would pay full percentage wage increases to off-scale staff, i.e. to employees who were already paid at above award rates. Union members in other centres held stopwork meetings to discuss the dispute. A first meeting in Auckland on 11 December approved financial support for Christchurch but narrowly defeated a proposal to join the strike. A second Auckland meeting however, on the morning of 24 December, decided to go out for the day. Hutt Valley BNZ staff also stopped work that day but Wellington members voted against strike action. Work resumed on 27 December after new proposals from the bank were accepted by stopwork meetings in Auckland, Christchurch and Lower Hutt. In Christchurch however, the motion to return to work was carried by the very narrow margin of 138 votes to 130.

The 14 combined unions at N.Z. Forest Products' Kinleith mills, which cover all workers on the site except pulp and paper workers, lodged a demand for a 22% wage increase. They argued that this was needed to reach parity with rates paid by the Tasman Pulp & Paper Co. at Kawerau, and that N.Z. Forest Products could afford the increase, having recently announced profits of \$18 million, compared with \$6 million in the same six months of 1978. When the claim was rejected, the unions began a campaign of rolling stoppages by different groups and put a ban on the customary Christmas maintenance overhaul.

Brewery workers threatened to impose a ban on the importation of cheaper foreign beer, which had been placed on the free list after 1 January as a result of recent GATT negotiations. The employers shared their concern, but after discussions with Cabinet ministers the ban was lifted.

For the first time a group of workers voted against compulsory unionism. Members of the N.Z. Dairy Factory Employees Union at the N.Z. Co-operative Rennet Co. at Eltham are covered by a separate award. Of the 11 workers in-

volved, ten voted in a postal ballot and a majority opted for the removal of the unqualified preference clause.

Oil tanker drivers throughout New Zealand held stopwork meetings following the breakdown of their national award talks. The Drivers Federation claimed an 11.7% wage increase and threatened a 48-hour stoppage, but on 8 December it accepted an increase of 10.5%, with redundancy guarantees being left for further negotiations.

Engine-drivers revived their claim for a registration payment of 20 c an hour. They announced plans for selective stoppages of 18 major Auckland plants after the holiday break. The union's action had the endorsement of the Federation of Labour which promised "whatever help is necessary".

About 650 carpenters, plumbers, engineers, painters and storemen employed by private contractors on the Huntly power project conducted a two-day stoppage late in November after their award talks broke down. They followed this up early in December with "limited protest procedures", such as rolling strikes, work bans and go-slows. When the employers countered by issuing notices threatening dismissals unless normal work resumed, the unions withdrew their bans. Award talks resumed but broke down again when a meeting of workers rejected the employers' latest offer.

The Ministry of Works and Development called tenders for the completion of the strike-bound Mangere Bridge project from four major construction firms.

The government released the report of the Whatnal commission of inquiry into wage relativities on New Zealand vessels. Its findings included recommendations for wage parity between engineers and deck officers, an increased margin for fifth engineers over motormen, and amalgamation of the two officers' unions. The Merchant Service Guild reached agreement with representatives of the Stena Line on the manning of the supply ship Stena Constructor. Guild members will be trained in handling the very sophisticated Swedish vessel. Public Service cleaners held stopwork meetings in early November and went on strike from 29 November in protest against the government's refusal to include them in the 10.4% ruling rates survey increase. The strike ended on 4 December, and on 10 December the government agreed to pay the increase.

Shopkeepers in several North Island towns defied the law by opening their shops on Saturday 15 December. Illegal trading continued in Auckland on subsequent Saturdays despite threats of prosecution by the Labour Department. The Auckland Shop Employees Union jointly with six other unions inserted a full-page cartoon-strip advertisement in the **Auckland Star**, which made the point that once Saturday shopping was accepted there was bound to come pressure for Sunday opening as well. Union members also paraded with placards outside some shops.

The N.Z. Farm Workers Association was again faced with the prospect of liquidation unless it could overcome worker apathy. Membership had dropped to 2600, which was not enough to keep the association financially healthy. Federated Farmers expressed their support for the current membership drive, as they wished to avoid the entry of another union (the N.Z. Workers Union) and a bid for compulsory membership.

JANUARY 1980

The Electrical Workers Union called on the Federation of Labour to condemn the Russian intervention in Afghanistan, and its secretary, Mr A. J. Neary, launched an attack on the Federation secretary, Mr K. G. Douglas, who had defended the Russian action. The Federation president, Mr W. J. Knox, expressed his "deep personal concern", and the Federation's national executive on 29 January approved a resolution which condemned "all aspects leading to and including the Soviet presence in Afghanistan" and called for non-interference by all countries and the withdrawal of Soviet troops whose continuing presence posed "a serious threat to world peace". The executive opposed an Olympic boycott and deplored "the seamy tactics of employers' representatives and sections of the news media" in attempting to use the Afghan issue to split the trade union movement and divert attention from the Federation's efforts to protect the living standards of New Zealanders. The executive also decided to seek another cost-of-living order from the government.

The Deputy Prime Minister commended the Federation for its stand on Afghanistan, but expressed disappointment that it had failed to deal with "foreign influences within its own senior ranks". The president of the Auckland Trades Council, Mr G. H. Andersen, appealed to unionists to disregard predictable diversionary tactics and to unite behind the Federation's application for a general wage increase.

Air New Zealand cabin crews on the Thursday DC10 flight between Auckland and Los Angeles objected to a new schedule which reduced rest periods. The Air Line Stewards and Hostesses Union demanded an additional day's rest in either Los Angeles or Honolulu, and on 9 January the crew went to bed in Honolulu, which delayed departure there by 10 hours. The flight due to leave Auckland on 10 January had to be cancelled. Air New Zealand sent disciplinary letters threatening dismissal to the crew members involved, but the following week's flight left Auckland without passengers.

The company then threatened legal action against the union and its officers to recover all losses, costs and claims arising out of the cancellation of the flights. It also referred the dispute to the Arbitration Court. The 24 January flight left on schedule, with union and management representatives on board who were to examine work and rest periods, but the union again boycotted the 31 January flight. Air New Zealand were able to find a standby crew and the flight left after a short delay. The staff who had refused duty were dismissed, but were reinstated later that night, whereupon the union called off its threatened total strike.

The Bank of New Zealand dispute was settled in negotiations in Wellington. The bank agreed to pay automatic percentage increases to virtually all "off-scale" employees.

97 car assembly workers at the Ford Motor Co.'s Seaview plant in the Hutt Valley went on strike on 19 December, over the dismissal of one man who had refused to do work which the union had declared black. Work did not resume after the holiday break and the company suspended most of its 900 employees.

The engine-drivers' union began a campaign of selective stoppages at major Auckland firms early in January. The Minister of Labour claimed that these tactics were unacceptable and that the union's claims were "clearly excessive and harmful to the economy". When the government threatened to use regulations against the union, the Federation of Labour stepped into the dispute. The engine-drivers resumed work on 17 January to allow talks to take place with the employers. When these negotiations broke up without agreement, the engine-drivers decided to pursue their campaign for a registration payment on an individual basis.

Work did not resume at N.Z. Forest Products' Kinleith mills on 8 January because the company offered only 18% wage increases, conditional on concessions by the unions which would keep the mills in continuous production throughout the year and would remove other "hindrances to efficiency". The pulp and paper workers' union, with 900 members on the site, accepted the company's offer but the Combined Unions held out for a 22% increase. The Minister of Labour threatened government intervention and the company began to suspend employees as work ran out. It also asked paper workers to take their annual holidays in January. By the end of the month some 500 workers (mainly skilled maintenance staff) were on strike and a further 700 (mainly timber workers) were suspended. On 29 January the timber workers' union formally asked the Federation of Labour to take over the dispute.

The Huntly power project dispute was settled on 22 January when the employers offered a further increase in allowances and agreed to pay the Auckland ruling rate of \$4.473 an hour.

A number of small inter-city shops in Auckland continued to defy the trading law by opening on Saturdays. They also formed the Inner City Progressive Retailers Association to promote changes in shop hours legislation. The Minister of Labour held exploratory discussions with the Retailers Federation and the Shop Employees Union, and the union decided to launch a national campaign of publicity and stopwork meetings to explain its objections to Saturday opening.

FEBRUARY

The Federation of Labour stepped into the deadlocked Kinleith paper mills dispute and Mr. Knox took charge of negotiations on behalf of the Combined Unions. N.Z. Forest Products raised its offer to 18.5%, but this was still well below the unions' reduced claim of 21.5%. By the middle of the month some 2600 workers were either on strike or suspended, and a major campaign was under way to collect food and financial aid for the strikers and their dependents.

Both sides waited for the result of the award talks between the Tasman Pulp & Paper Co. and the unions at Kawerau, because the Kinleith unionists were determined to regain the parity with Kawerau rates which they had lost in 1978. On 21 February the Kawerau negotiators agreed on a new core rate of \$4.818 an hour. Talks then resumed in the Kinleith dispute and on 24 February

N.Z. Forest Products raised its offer to \$4.818, equivalent to a 20.5% increase. The company realised, said its managing director, that it had to be reasonably close to the Tasman settlement, "because the position has always been that way."

The union negotiators accepted this offer which was to be put to a meeting of Kinleith workers for their approval. The dispute seemed settled, with work due to resume after 7 weeks on strike, but at this point the Prime Minister announced that regulations would be issued under the Remuneration Act to cut back the wage increase to the 18% originally offered by the company, i.e. to a core rate of \$4.694. That offer, said the Prime Minister, had been "eminently fair" and had already been accepted by the pulp and paper workers, while the new settlement had been reached under duress. The government also announced that it would issue regulations to prohibit registration payments to engine-drivers.

"This is blatant interference, dictatorship interference to the trade unions' right to bargain freely," Mr Knox told a mass meeting of Kinleith workers. "If Jim Knox is to go down, fighting I will go down." The meeting decided to continue the strike. In what the **New Zealand Herald** described as "his third explanation in as many days", the Prime Minister next claimed that the proposed Kinleith rates would spill over into Auckland core rates and would set off a new wage spiral. He also accused the Socialist Unity Party of having masterminded the Kinleith dispute while the Federation of Labour, in the person of Mr. Knox, was "theoretically at least" in charge.

Mr. Knox angrily denied these charges of S.U.P. domination. There was talk of a general strike but the Federation's national council decided on a campaign to repeal the Remuneration Act or make it inoperable, and for all-out support for the Kinleith strikers. Workers throughout the country were asked to contribute an hour's pay each week towards a special "New Zealand Forest Products Dispute 1980 Account".

A closed meeting of the Auckland Trades Council endorsed the Federation of Labour resolution on Afghanistan after defeating, by a reported 50 votes to 40, amendments moved by the Council president, Mr G. H. Andersen. The meeting also passed a vote of confidence in the Council executive and decided to launch a "Fortnight of Activity in Defence of Living Standards" in late May or early June. Internal divisions within the Federation of Labour over the Afghan issue receded into the background with the Kinleith conflict. The Federation decided to send a representative to Afghanistan to assess the rights and wrongs of the conflict there and to offer assistance to Afghan trade unions.

The Air New Zealand dispute over DC10 flights to Los Angeles was solved through the intervention of the Director of Civil Aviation, Captain E. T. Kippenberger, who ruled that for safety reasons a 24 hour break in Honolulu was inadequate. The final agreement provided that after the 24-hour break the crew would fly back to Auckland as passengers. The Air Line Stewards and Hostesses Union decided to convene a disciplinary committee to rule on the cases of the 12 crew members who had manned the 31 January DC10 flight in defiance of the union ban, but the crew members concerned obtained an interim order in the Supreme Court restraining the union from proceeding with the hearing.

Another Air New Zealand dispute dating back to May 1979, when airline engineers had struck in protest against the taxing of their travel allowances, was also resolved. An Auckland accountant, Mr W. Wilson, who had conducted an inquiry at the request of the government, reported that cash allowances to cover the cost of travel to and from work were taxable, but recommended that the law be amended to exempt allowances paid because of unavailability of adequate public transport. The Minister of Inland Revenue announced that the government agreed with the report and intended to introduce the necessary legislation later this year.

The Federation of Labour took charge of the coach workers' dispute at Ford's Seaview plant over the dismissal of an employee. After 6 weeks on strike the workers returned, leaving the industrial conciliator, Mr R. M. Gerbic, to make a decision under the personal grievance procedure. Mr. Gerbic ruled that the man had been unjustifiably dismissed and should be reinstated, but made no order for the reimbursement of wages lost. He also commented that industrial relations at the Ford Motor Co. were "in a deplorable state."

Two disputes which blew up almost simultaneously, disrupted the inter-island ferry service. Marlborough Harbour Board employees voted to stop work for 24 hours on 29 January because the Board had refused 3 days' bereavement leave to a female employee. It was the union's first total stoppage and brought ferry sailings between Wellington and Picton to a standstill. On 4 February the 40 workers concerned decided to continue the strike indefinitely but to service the ferries without pay. This voluntary "work-in" continued even after the Board agreed to grant the disputed bereavement leave. On 18 February the union decided to restrict ferry sailings to one daily trip each way, but three days later the staff returned to full duties. The Board and the Harbour Board Employees Union attended a compulsory conference under the chairmanship of Mr F. M. Gerbic, which heard evidence on the deterioration of staff relations over the previous year.

Meanwhile members of the Merchant Service Guild imposed a ban on night sailings of the ferries from 8 February because pay increases to ferry engineers (as recommended by the Whatnall report) gave them parity with deck officers despite shorter hours of work. The Guild proposed that instead of giving extra money to the engineers, the pay of chief, second and third officers should be cut by some \$1700 a year and the money saved used to employ an additional deck officer on each of the four ferries. Extra manning would then reduce the working hours of deck officers to those of engineers. On 25 February the Shipping Industry Tribunal directed the Guild to lift its ban and gave the Railways Department 21 days to submit proposals for a solution of the dispute. Normal work resumed on the following day.

The Wellington Drivers Union decided to give members' wives the right to speak, but not to vote, at union meetings. The union will also invite wives to conferences and seminars and hopes to extend full voting rights in the future.

The Remuneration (New Zealand Engine Drivers, Boiler Attendants, Firemen and Greasers Award) Regulations 1980 came into force on 27 February. They prohibit the payment of new heads or items of remuneration (such as registration payments) to workers covered by this award, and provide fines of up to

\$1000 for any breaches or attempts at evasion.

On 27 February watersiders placed a ban on the handling of export fish, which stopped the unloading of two vessels, the Russian trawler *Alexandrovsk* at Auckland and the German factory ship *Wesermunde* at Bluff. They were challenging the recently-passed Fishing Industry (Union Coverage) Act which excludes watersiders from unloading fish. The unions were concerned that non-union labour would be used for unloading, while the employers expressed fears that the employment of watersiders would increase handling costs. On 29 February, a Friday, watersiders throughout New Zealand ceased work until the following Monday because the employers had failed to make satisfactory counter-offers in the current wage talks.

MARCH

Regulations to cut back the Kinleith wage settlement — The Remuneration (New Zealand Forest Products) Regulations 1980 — were gazetted on 4 March. "The time has come," said the Prime Minister, "for the moderate element in the trade union movement to stand up to the militants and tell them that their actions are threatening the whole system of free wage bargaining. That is the acid test for Jim Knox, the president of the Federation of Labour. The question is whether he is equal to it." The Prime Minister also suggested holding a secret ballot at Kinleith under Labour Department supervision on the question of a return to work. The strikers had already conducted such a ballot under supervision of justices of the peace, as soon as government intervention was announced. It showed that 93.5% were in favour of continuing the strike.

The Federation of Labour concentrated its efforts on raising funds for the Kinleith relief appeal. Thousands of dollars from fellow unionists and sympathisers flowed into Tokoroa, where the union relief depot issued weekly food vouchers to strikers. A notable feature of the dispute was the prominent part played by women — strikers themselves or wives or girl friends of strikers — who not only staffed the drop-in and social centre but also spoke and voted at the frequent mass meetings. The regulations affected other Forest Products mills besides Kinleith: workers at the Matura paper mills held a 24-hour protest stoppage on 10 March, to be followed next day by workers at the company's Penrose plant. The management of the Caxton paper mills at Kawerau — a different company — reached agreement with the tradesmen's unions to pay the contested \$4.818 rate; in this case the government did not interfere, claiming that there was "much less risk" of a flow-on into Auckland rates.

On 11 March Mr. Knox talked for 2 hours with the Minister of Labour. The Prime Minister, who had not met Mr. Knox for 5 months, joined in these discussions but no firm settlement emerged. After a meeting of the National Party caucus, Mr. Bolger announced that the \$4.694 rate was negotiable, but Mr. Knox insisted that the workers at Kinleith would not accept any figure less than the full \$4.818 already agreed to for Tasman and Caxton workers. He did however welcome suggestions to "ring-fence" the new rate to prevent any flow-on into other awards.

The Cabinet meeting of 17 March apparently decided to reinstate the original Kingleith settlement and to revoke the regulations. The package worked out by Mr. Bolger and Mr. Knox during the preceding weekend included some concessions by the unions: collective agreements in the pulp and paper industry were to run for two years; "common claims" (except wage rates) could be renegotiated after one year, but next year's increase in the core tradesman's wage was to be restricted to the cash movement in the metal trades award. The Federation of Labour was to seek a rationalisation of wage bargaining in the pulp and paper industry by setting up a co-ordinating committee, with the aim of forming an industrial association of unions and negotiating a composite award. The Federation was also asked to join in round-table talks on a new wage policy with the government and the employers.

"The exercise has been one of futility from the start to the finish," said the Prime Minister, but to Mr. Knox it was the greatest victory he had ever seen in his 27 years in the union movement: "This is the first time," he said in Tokoroa, "the government has been taken on by the unions and made to recognise it can't interfere with free wage bargaining between unions and their employers."

After the settlement had been accepted by union meetings at Tokoroa and Kawerau, the government lifted the regulations on and from 27 March and agreed to backdate the new rate of \$4.818 to 25 February, the date of the original settlement with the company. Work then resumed at Kingleith on 28 March. N.Z. Forest Products estimated that the 80-day dispute had cost it more than \$40 million in lost sales and market opportunities. The loss in wages was estimated at \$6.5 million, or an average of \$2,600 for each of the 2500 workers involved. Only 521 workers however had been officially on strike, while many suspended workers had received the unemployment benefit. Mr. Rowe of the Employers Federation expressed doubts about the effectiveness of the agreement as regards flow-on into Auckland core rates. "Frankly," he was quoted, "I find it difficult to see how any undertaking by Mr. Knox could be made to work."

On 17 March, when it became clear that the government would concede the Kingleith claims, the Prime Minister launched an attack on communists in unions and released a list of 32 union officials who, he declared, were members of the Moscow-aligned Socialist Unity Party. Mr. Muldoon had claimed earlier that the S.U.P. was "closely involved" in the Kingleith dispute, though the managing director of N.Z. Forest Products suggested that in interfering in the wage settlement the Prime Minister was "somewhat belatedly trying to clobber Bill Andersen." In February Mr. Muldoon had told a Wellington church audience that communism was "the quintessence of evil in the modern world." According to Mr. Cooper, the Minister of Tourism, the Prime Minister was waging a lone, single-handed battle while "a group of 200 to 300 dedicated communists had skilfully and insidiously assumed many key roles in the trade union movement." If these figures are correct, others besides S.U.P. members are involved, for the total membership of the S.U.P. was given by the Prime Minister as 150.

Controversy developed over the reliability of the Prime Minister's list, which

had been supplied by the Security Intelligence Service, and over the ethics of publishing it. Some minor and at least one major inaccuracy were found, quite apart from the denials of party membership by some of those listed. The Leader of the Opposition accused the Prime Minister of giving the S.U.P. "glamour and importance", while the Social Credit leader denounced the release of the list as "a political stunt". Other public figures spoke of smear tactics, witch hunts and McCarthyism. Among the Prime Minister's supporters was Mr. Rowe of the Employers Federation who already after last year's general strike had named names and had told **New Zealand Truth** about undercover S.U.P. members in the unions who communicated with each other by means of passwords such as "meaningful discussions" and "reality of the situation".

On 25 March the Prime Minister suggested that he would outlaw the S.U.P. "if necessary". Again leaders of other political parties commented adversely, as did the secretary of the Police Association who said the while policemen would have to enforce the law, they did not wish to become involved in industrial or political confrontation.

Watersiders lifted their ban on the handling of export fish on 5 March to allow talks to take place between their Federation and the Fishing Industry Board. The West German Defence Minister, Dr Hans Apel who visited New Zealand late in March, said a solution was of "crucial importance" because failure of the Wesermunde venture would create a bad impression with potential German investors. Negotiations for a new national watersides' award concluded on 28 March with agreement on a 12% wage rise.

The Merchant Service Guild reimposed its ban on the night sailing of inter-island ferries on 25 March, but lifted it four days later in the hope that further negotiations would resolve the pay dispute.

Railways unions at the Otahuhu workshops reached an agreement with the Department on the safe handling of asbestos in reconditioning railway carriages which had stood untouched since the middle of last year. They maintained the ban on two Silver Star carriages until the government implemented its promise of last July to hold an inquiry into rail freight services.

A special general meeting of the Farm Workers Association in Wellington on 18 March decided to wind up the association on 20 May unless more members joined. The meeting, which was attended by 60 members, was told that the recent membership drive had failed and that the association was \$10,000 in debt.

BERT ROTH