

REPORT

The 1981 Federation of Labour Conference

The unity that had been expressed at the FOL Conference following the successful Kinleith settlement, has been placed under considerable strain following the arrests of picketers at Mangere Airport and the resultant Kiwis Care march led by Tania Harris through the streets of Auckland. Union morale had taken a battering, and the effect of this on the unity of the labour movement had explosive potential for the 1981 FOL Conference. Unity within the labour movement was strained, but the split came not between unionists but between the industrial and political wings of the labour movement, and was to become a major issue throughout Conference.

Conference opened in Wellington at the Town Hall on Tuesday 5 May 1981 and continued until Friday 8 May. The Credentials Committee reported that the Conference was attended by the three national officers (the President, Jim Knox; the Secretary, Ken Douglas; and the Vice-President, Ted Thompson), together with 387 delegates, exercising a total of 589 votes. A total of 64 delegates were women, which was a marked increase over the 45 who attended the 1980 Conference.

President's Address

In his annual address, President Knox set out to examine three things: a review of the 1980 year in terms of the economy, legislation, and industrial matters, a long term view of the performance of the National Government, and a look to the future and the union response to trends now appearing.

In reviewing the economy Knox stated that the major economic indicators had shown no significant improvement and reiterated the point he made at the 1980 Conference that "the burden of inflation is still being increasingly shouldered by people who are less able to bear it". Knox noted the rise in official unemployment figures to about 70,000 and dwelt on the particular problems of youth unemployment and the average length of time that unemployed workers remain registered unemployed. His final concern in this area was the Government's move to "dismantle the job creation programme". In examining the Government's economic policy, Knox claimed that the export strategy was failing; that a policy of foreign investment was not in the interests of New Zealand or New Zealand workers; that "thinking big" is "more an excuse for not thinking at all".

The Presidential address outlined the difficulties experienced by the FOL and its affiliates with two major pieces of industrial legislation passed during 1980 the *Shop Trading Hours Amendment Act* and the *Maternity Leave and Employment Protection Act*.

Industrial matters considered in the address included the "successful struggle" to have the *Remuneration Act* repealed; the conclusion of the Mangere bridge dispute after two years and seven months; the continuing saga of the wage policy discussions arising from the Kinleith settlement (and here Knox strongly emphasised that "wage policy discussions" were about wage fixing machinery and not about the level of wages themselves). "Policy initiatives" by the FOL during 1980 included the Campaign in Defence of Living Standards; the Accident Compensation Campaign and the advocates' meetings prior to the award round, which were evaluated as "useful".

In his longer term review, Knox examined the performance of the Government since it came to power in 1975. Knox summarized this performance as a "dismal record of mediocrity and ineptitude". The problems he saw for the future included structural problems of the New Zealand economy, the growing disparity in income and wealth between sections of the community and the tendency of New Zealand industry to become more capital

intensive and use technology and machinery in place of labour. The political implications of the economic trends occurring in New Zealand were outlined by Knox as was the leadership struggle within the National Party — a struggle Knox described as “a struggle between the young jerks of the new economic right attempting to unseat the ageing young turks of the more pragmatic variety who have been governing the National Party for some time”. He also lamented the failure of the Labour Party to capitalise on the division in the National Party. The attack on the Labour Party was one of the four made by Knox in his Presidential address and the relationship between the FOL and the New Zealand Labour Party was examined in detail.

The Presidential address concluded by examining prospects for the future. Among these was the observation that “at this stage it looks as though National could get itself re-elected”; that unions would have to overcome great apathy; that the picketing dispute had led to a setback but that the setback was not a serious threat to unity and strength within the union movement; that in the future, communication with grass roots membership would be more likely to lead to successful conclusions in disputes; that union restructuring and amalgamation would become more important in the future. This last issue, union amalgamation, was to become an important issue in this Conference.

The address was immediately received but adoption was a longer process. The two issues arising from the Report that Conference delegates spent time discussing were the relationship between the industrial and political wings of the labour movement and the question of union amalgamation.

Labour : The Political and Industrial Wings

A year earlier, in his 1980 Conference address Knox made the statement that the FOL and the trade union movement had become the real opposition to the National Government. This was a claim he reiterated during the 1981 Conference address. This claim came early in his speech and was an ad-libbed comment but was to forerun three separate attacks on the Labour Party and its performance in the run to the election.

The first attack was in his discussion of the economic difficulties facing New Zealand. A stronger attack came when Knox was discussing the leadership crisis within the National Party. He commented “that the leadership struggle in the National Party could of course be of political advantage to the Labour Party but for the fact that it also had to have a struggle of its own. The Labour Party is similarly divided between people who want to see the Party having some general philosophy and principles which it attempts to bring into practice, and those who are more interested in preserving their own political privileges through being able to sit in Parliament on the basis of a very limited programme”. The final attack came when Knox referred to the electoral prospects for November 1981: “At this stage it looks as though National could get itself re-elected, largely due to the confusion created by the rise in Social Credit, but also due to the lack of any coherent policy being put forward by the Opposition”.

The attack on the Labour Party was not completely unpredicted. Union dissatisfaction with aspects of the behaviour of the Parliamentary members of the Labour Party had risen during the 1980 year. The constant problems of division within the ranks of the Parliamentary Labour Party, the unfortunate timing of the internal leadership struggle, the release of an alternative budget by Roger Douglas, MP, without the approval of the Party caucus, and the continuing battle between supermarket owner and Nelson Labour MP, Mel Courtenay, and the Nelson Trades Council, have led the union movement to regard the Labour Party with dismay.

Several delegates spoke to the President’s address regarding the question of the Labour Party having no coherent policies. Speakers on this matter were divided, with some delegates feeling that the criticism of the Labour Party by the FOL was destructive of Labour’s

chances in the forthcoming election. The alternative view, however, came through quite clearly and strongly. Michael Law (NZ Clerical Association) stated that the FOL would be unwise to follow lock-stock-and-barrel any political party and that the policy of the Labour Party should be sought and examined and not simply accepted in blind faith.

The issue of the relationship between the industrial and political wings of the Labour Party did not die with the President's Report and was raised in the Annual Report of the National Executive under Section Six – Joint Council of Labour, which reported:

for the National Executive's part it welcomed the stated intention of the Labour Party to work more closely with the Federation of Labour. However, it is apparent that these intentions have remained just that.

On the third day of the Conference, Bill Rowling, Leader, and David Lange, Deputy Leader of the Labour Party addressed the Conference. Rowling tackled the problems raised by Knox at the outset of his speech. He stated that the Labour Party had already released coherent policies on many issues and proceeded to outline some of these. The most significant issue, however, was that Rowling drew a distinction between the two labour organisations. He pointed out that the political and industrial wings of the labour movement may well have similar general aims but they would differ in matters of specific policy and in methodology and that essentially the two organisations had to stand alone while working together wherever possible.

Rowling's speech was warmly greeted by delegates who gave him the traditional standing ovation. Lange on the other hand, offered a lack-lustre speech which was not as warmly received. Knox made no attempt at the end of Lange's speech to encourage delegates to their feet in applause. The "pressure of Parliamentary business" led to the almost immediate departure of Rowling and Lange, not before Knox had pledged his full personal support and the support of the labour movement in their attempt to remove the present National Government. Knox thanked Rowling and Lange for their attendance and waved delegates to their feet for a standing ovation – the applause, however, didn't last until Rowling and Lange had left the platform, indicating, perhaps that the traditional close relationship is under considerable duress.

The positions taken by both organisations, the Labour Party and the FOL, appear to be realistic. If Knox has not been satisfied with the performance of the Parliamentary Labour Party in the last year then he had a duty to say so and that duty was reinforced by the views of a number of delegates. The difficulty encountered, however, arose from the fact that his speech condemned the alternatives, that is, National and Social Credit, but did not as the final solution offer support to the Labour Party. Knox recognised that difficulty, by verbally offering support both later at the FOL Conference and a week later at the Labour Party Conference.

Union Amalgamation

The matters of union amalgamation and union restructuring were raised in the Presidential address. Knox said "the present structure of unions is still a cause for concern at all levels in the trade union movement and as the involvement of the membership mentioned above grows, moves to rationalise union organisation will also become more prevalent". While "the present structure of unions" may be of concern in some quarters, it certainly presented a number of difficulties at this year's Conference. Tony Neary (North Island Electrical Workers' Union) raised the issue of who should decide how the restructuring was to be organised. Should it be the government; the employers; or the union movement itself? Neary claimed to have been given a confidential document which outlined a new industry-based structural grouping of 43 unions and he wanted to know to where 10,500 electrical workers had disappeared. Considerable debate as to the origin of the "43 unions" document took place with Knox and Douglas persisting with their view that the document was one prepared by Max Bradford, Director of Advocacy, at the New Zealand

Employers' Federation. Knox and Douglas continuously denied that the FOL had itself prepared a secret document on union restructuring, although this did not appear to satisfy Neary.

The difficulty facing New Zealand unions is bigger than amalgamation as amalgamation alone will not solve the problems that the union movement is meeting at present. Considerable restructuring is required to overhaul the system and Knox made the point that industry based bargaining would precede such restructuring. Delegates speaking to the question made it clear that if any move was to come for restructuring or amalgamation, then that move must come from the rank and file of the trade union movement for it to be successful.

Overseas Speakers

Traditionally a number of overseas speakers are invited to address the FOL Conference on political and industrial matters of international concern. The first speaker at this year's Conference was Andrew Moltsane, of the South African black labour movement, who had been brought to New Zealand by the Wellington Trades Council to undertake a speaking tour throughout New Zealand. Moltsane's message was similar to that presented by Zola Sembe at the previous year's Conference. His speech included reference to the plight of the black South African workers, their struggle for basic human rights and he called for an open, non-racial society. Moltsane received a spontaneous standing ovation for his address and President Knox proposed a motion of support for the black worker's struggle — a motion that was unanimously adopted.

Teti Taulealo, the leader of the Western Samoan Public Service Association was in New Zealand at the time of the Conference to gain support for some 5,000 striking public servants in Western Samoa. Invited to address the FOL Conference, Taulealo outlined the history of the dispute between the members and Government over a general wage increase and how his workers had been on strike for five weeks as a result of the Government's failure to meet union demands. The Government had refused to talk and negotiate with the Western Samoan PSA and the dispute in essence had become a recognition dispute with the Government failing to recognise the right of Western Samoan PSA to speak for its members.

Taulealo came to New Zealand for support at two levels. Firstly, financial support — he explained that Western Samoan civil servants earn minimal salaries and that as they have been out of work for four to five weeks already they were finding it very difficult to make ends meet. Second, he sought industrial support and asked in particular for a ban on shipping to and from Western Samoa and a ban on the handling of the Polynesian Airlines. This last appeal for support was not greeted with enthusiasm. New Zealand unionists have already had difficulties with airlines this year and delegates from the seamen's union were left gawking open mouthed at each other over the request to ban shipping. Conference gave Taulealo a warm reception and Knox, speaking in reply, offered financial assistance from the FOL presenting Taulealo with a cheque for \$1,000. In doing so he called upon FOL affiliates to financially support the Western Samoan PSA strike. During Conference, over \$10,000 was raised for the Western Samoan PSA. The generosity of New Zealand unionists to spontaneously respond to the cause of public servants in Western Samoa reflected the genuine concern felt for the plight of a fledgling organisation involved in a recognition dispute with Government and also reflected the considerable personal ability of Taulealo to explain coherently the difficulties faced by his members.

The President of the Brisbane Trades Council, H. Hauneschild, a regular visitor to FOL conferences, had one major message for New Zealand unionists — that a Springbok tour of New Zealand would wreck the 1982 Brisbane Commonwealth Games. The message was loud and clear and while it did not fall on deaf ears, the address met with muted applause. The tour issue was a sensitive one amongst unionists at this Conference and will be examined later. Fraternal greetings were also given by British, American and Russian delegations.

The Economic Strategy

One of the difficulties facing any union movement is that governments and employers state policies and take actions and then the unions are left to react. The role of the "reactor" is frequently that of providing negative criticism, and union members, along with the general public, tend to picture unionists as continually criticising the government, the employers and their respective policies. In essence unionists are portrayed as conservative and negative influences in our society. That portrayal may be real or imaginary but some unionists are sufficiently concerned about that image that they are attempting to develop a positive approach to employment and industrial relations matters rather than the traditional reactive approach.

This positive approach has been adopted by FOL economist, Alf Kirk, who has prepared a position paper on the New Zealand economy which develops a "worker's alternative" to current government policies. The development of a worker's alternative has been a long term policy strategy of the FOL and is not something that was prepared the week before Conference. Kirk has been developing this material for the last two years and the result of this work was a 70 page document. The National Council and National Executive of the FOL have endorsed in principle the content of this working paper and the document was forwarded to affiliates earlier this year for consideration and discussion before the Conference.

The background to the development of the alternative economic strategy was undoubtedly related to more than a union endeavour to be positive. The political wing of the Labour movement has experienced great difficulties in preparing their official alternative economic policy. The apparent failure of the official Labour Party caucus to be seen to develop a coherent economic policy for the working people they purport to represent, has presented major difficulties for the Labour movement. A further difficulty here has been in seeing any real ideological difference between the policies of the present Government and those policies that have been announced by the Labour leaders. Kirk makes the point in this position paper that "there is an old saying that states that 'countries or people who do not know where they are going have a good chance of not getting there'. It is a saying largely ignored by current policy makers who try to hide behind vague platitudes like 'more market' and 'international price competition' rather than clearly state what they are trying to achieve."

An examination of FOL policy from previous conferences leaves no such doubt as to the economic objectives of the FOL. The basis of this policy is that investment in production should be for social use and not for private gain; that there should be full and productive employment; that there should be effective price control; that welfare services should be improved; and that a progressive tax scale which reduces tax for lower and middle income earners should be introduced. The economic strategy paper examined in some detail the history of the New Zealand economy and the structural problems that have led to the current bout of "restructuring". The current crisis of high inflation and high unemployment is examined, as are the causes. The paper then develops a series of alternatives for New Zealand.

In pre-conference publicity material FOL Secretary, Ken Douglas, said that he saw that the discussion regarding the development of an alternative economic strategy would be one of the most important debates at this Conference. Surprisingly, however, the strategy drew little attention from delegates who seemed content to see the package simply adopted in principle and held over for further discussion by the rank and file in the ensuing year. G.H. Andersen (President of the Auckland Trades Council and Secretary of the Northern Drivers' Union), was one of the few speakers. He paid tribute to the work of the FOL Research Officers for their presentation of the strategy and pointed out that grass roots membership understanding of issues was the means by which policy would most effectively become reality.

Andersen traced here the successful introduction of the Working Women's Charter and examined briefly the technique that had been developed. The Charter was developed some five years ago, and a major feature of its introduction was the use of seminars to examine the Charter. The adoption of the Charter as policy was ultimately achieved through union membership meetings. The development of that long membership based campaign has left unions in a strong position to withstand challenges from those opposed to the "abortion" clause.

Andersen, in making these points, drove home that the National Executive's approach regarding the economic strategy was the correct one. A programme of seminars and membership discussion and debate before grass roots membership acceptance (or rejection) of the policy at meetings is a solid base for making policy a reality. Andersen continued, stressing the importance of developing the economic alternative in the interests of New Zealand as a whole and New Zealand workers in particular. That the economic strategy was accepted with so little debate may have indicated that the concepts and material were beyond the delegates present. It is more likely, however, that the strategy was seen by so many as simply being commonsense and that that was the primary reason for the low level of debate.

The Springbok Tour

The proposed tour during 1981 by the South African rugby team had the potential for a solid "conscience" vote at this Conference but it was not to be. The issue had been preempted prior to Conference by a number of individual unions. Transport Union delegates to the 1980 Conference had resolved to investigate the disruption of travel and accommodation services to the Springboks should the tour proceed. At the annual conferences of both the New Zealand Drivers' Federation and the New Zealand Hotel Workers' Federation, support was given to FOL policy opposing apartheid but in both cases the decision as to industrial action against the tourists was left to individual branches and sheds. The Northern Storemen and Packers' Union, as though it had not seen the writing on the wall, ran a series of ballots throughout its membership on the question of the tour and much to the surprise of some officials the vote was 58 percent in favour of the tour taking place. The approach taken by unions at Conference had to follow individual union decisions on this issue and it was no surprise that a national policy of opposition to racism and apartheid was adopted with implementation of action against the tourists being left at the local level.

Finances and Executive Changes

Federation Secretary, Ken Douglas, introduced a comprehensive package at the previous year's Conference regarding Federation finances and a proposal for indexation of affiliation fees had been accepted. Under this scheme individual unions would pay affiliation fees on the basis of the increase in the wage index. This meant that the union affiliation fee for the 1981 year is increased from \$1.00 to \$1.18 per member. The increase was accepted with little debate and shows the value of the long-term policy that has already been adopted.

A number of changes to the executive membership of the FOL have taken place in the last year. The FOL Constitution provides for the President, Secretary-Treasurer and Vice-President to be elected for five yearly terms. Jim Knox and Ken Douglas have now completed two years and have the balance of three years to run. The Federation Vice-President, Jim Boomer (formerly New Zealand Engineers' Union), was appointed as Workers' Representative to the Arbitration Court to fill the vacancy left by the death of Claude MacDonnell. Boomer's departure from the FOL mid-term meant that an election was held by postal ballot to fill the vacancy. E.G. Thompson (Watersiders' Federation) was successful over P. Kelly (Wellington Caretakers' and Cleaners' Union) in filling the balance of Boomer's term which was only until the May 1981 Conference. Nominations were again called for this position with elections taking place at Conference. Thompson was the only nominee. He now has a five year term ahead of him. His election from the status of Executive

Member to Vice-President left a vacancy for an Executive Member and this position was filled by Ernie Ball (National Secretary, New Zealand Engineers' Union). The Engineers' Union through its size has a virtual automatic right to representation on the National Executive.

There are six Executive Members including Ball. The others are: Wes Cameron (Canterbury Meat Workers), Ashley Russ (New Zealand Carpenters), John Slater (New Zealand Clerical Workers), Sonja Davies (New Zealand Shop Employees), and Bill Anton (New Zealand Labourers). The last three of these; Slater, Davies and Anton, had to retire by rotation at this year's Conference. Anton did not offer himself for re-election as he is no longer with the New Zealand Labourers' Union but Slater and Davies allowed their names to go forward. In addition, Len Smith (New Zealand Labourers' Union) and Pat Kelly put their names forward. There being four candidates for the three positions, a ballot took place. Remembering that there were a total of 589 eligible votes the results were as follows: Davies, 565; Slater, 486; Smith, 447; and Kelly, 209. Consequently, Davies, Slater and Smith were declared elected to the Executive of the FOL.

It is particularly significant that Sonja Davies, the only woman representative on the National Executive, was the highest polling candidate. Davies contested elections for FOL Executive during the 1960s and early 1970s and was unsuccessful until three years ago; that by the 1980s, she has become the highest polling candidate demonstrates the respect delegates have for the work that she has done in the advancement of women's rights and in particular the promotion of the Working Women's Charter. When asked to speak by Knox she thanked the delegates for their support and made particular reference to her role as a women's representative. She pointed, however, to her increasing age and said that she was looking into the ranks for her successor to step forward.

Pat Kelly (President of the Wellington Trades Council and Secretary of the Wellington Caretakers' and Cleaners' Union) was again defeated in his attempt to get a seat on the National Executive but as Davies pointed out "he always takes his defeats like a gentleman". Len Smith has been Secretary of the Northern Labourers' Union for many years and he has also been recently appointed General Secretary of the New Zealand Labourers' Union. His standing within the Auckland Trades Council has always been high and his opinion on industrial matters is respected by many unionists. It comes as no surprise that he was elected by such a clear margin.

Conclusion

The 44th Annual Conference was not a memorable Conference. If it is remembered, it will be as a result of a Conference decision to reject a Government proposal for a wage-tax trade off. As part of the Kinleith settlement the FOL, Employers and Government had been meeting to establish a wages policy. By late May, early June 1981, the talks had collapsed and the Prime Minister blamed the unions for their refusal to accept his proposals regarding a wage-tax trade off. The unions, for their part, claimed that the Prime Minister had yet to make a firm proposal and that they were not prepared to accept any proposal that wasn't fully spelt out. The decision taken at Conference to reject the trade off was taken on the basis of first, the effect of such a move on fixed income earners and second, that, with fiscal drag, the workers are entitled, as of right, to tax relief. The decision took little of Conference's time and that it became the most publicised move of Conference is surprising.

Knox and Douglas had hoped that the Alternative Economic Strategy would be *the* issue of the Conference but delegates seemed reluctant to grasp the potential of that document and to fully discuss the positive approach offered.

In an election year delegates should have been delivering stirring speeches designed to promote positive policy and electoral success in November. That the political wing has lost support, is very apparent.

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