

INDUSTRIAL RELATIONS CHRONICLE

APRIL 1978

The meat workers' dispute had barely been settled by the Prime Minister's personal intervention, when other unions in the freezing industry put forward claims for equivalent increases. First in was the Freezing Industry Clerical Officers' Union; it called a 24-hour stoppage on 10 April to press its demand for a 50c an hour increase, needed to restore parity with increases already promised to freezing industry tradesmen. The Industrial Commission arbitrated on the clerical workers' claim on its last day of business, 14 April, and awarded payments ranging from 26c to 50c an hour depending on salary grades.

Beef butchers at the Whakatu works near Hastings went on strike over demands for a new incentive bonus scheme, but freezing works tradesmen settled their outstanding award claims in the middle of the month. Some 200 shift engineers belonging to the Institute of Marine and Power Engineers then demanded new pay rises to maintain their traditional margins over the tradesmen. They called a strike for 1 May but withdrew their threat at the last moment to allow negotiations to continue.

The government's industrial relations package came into force on 17 April. It comprised four separate pieces of legislation: the Industrial Relations Amendment Act, the Waterfront Industry Amendment Act, the Agricultural Workers Amendment Act, and the General Wage Orders Act. The most significant feature of the new system is a revived Arbitration Court, which replaces both the former Industrial Commission and the Industrial Court. The new court comprises three judges and four nominated members, two each representing employers and workers. The judges also act as chairmen of other wage-fixing tribunals, such as the Agricultural Tribunal, the Aircrew Industrial Tribunal, the Waterfront Industry Tribunal, and the Public Sector Tribunal.

Judge R. D. Jamieson, previously judge of the Industrial Court, became chief judge of the Arbitration Court. The other two judges are Mr J. R. P. Horn, S.M., previously chairman of the State Services Tri-

bunal, and Mr N. P. Williamson, who had been assistant secretary of Labour responsible for legal and union affairs. The nominated members of the Industrial Court, Messrs J. B. Walton and W. C. McDonnell, continue in office on the new court where they are joined by Mr P. Oldham, deputy director of the Employers' Federation, and Mr D. Jacobs, previously secretary of the Clerical Employees' Union. Two acting nominated members were also appointed: Mr J. A. Boomer, secretary of the Engineering Union, and Mr N. West, of the Canterbury Employers' Association.

The legislation deliberately restores the name of the old Arbitration Court which had dominated industrial relations from 1895 until the late 1960s, but while the court now has jurisdiction over both the public and the private sectors, recourse to its services is voluntary. Newspaper editorials welcomed the new court and expressed the hope that it would enable New Zealand to regain its international reputation as a model for the peaceful settlement of industrial disputes. Sir Tom Skinner, on behalf of the Federation of Labour, took a more cautious approach, saying that the new court would be judged on its performance over the pending general wage order application.

The only satisfactory settlement, Sir Tom told Tamaki Rotarians, was one that had been hammered out between the parties concerned. He condemned government intervention in strikes and what he called "intimidation" by the government through its threat to conduct ballots on the question of union membership. Only one such ballot had been held so far, in 1977, when the tiny Golden Bay Cement Workers' Union voted overwhelmingly in favour of compulsory membership. The next union named by the Minister of Labour was the Canterbury Rubber Workers' Union which anticipated the government move by conducting a ballot in March 1978 and obtaining a 98% majority in favour of retaining the unqualified preference clause. The government however insisted on holding its own ballot of the rubber workers, though the poll had to be delayed through the absence overseas of the union secretary.

The government also named three further unions where ballots were to take place: the photo engravers, freezing industry clerical officers, and North Island chemical fertilizer workers. In the middle of April Sir Tom Skinner and other Federation of Labour leaders travelled to Australia for their regular meeting with their counterparts from the A.C.T.U. On his return Sir Tom announced that the two sides had condemned state-run union ballots and that the Australians had promised to "black" any goods exported to Australia by non-union labour in New Zealand.

Among the first cases referred to the Arbitration Court was a dispute between Air New Zealand and the Airline Stewards' and Hostesses' Union over the manning of planes leased to Singapore Airlines (the union maintained that New Zealand crews should continue to be used, but the court rejected this claim); a dispute between New Zealand Steel and the Engineering Union over the legality of rolling strikes; and a claim for back pay taken by the Department of Labour on behalf of a former stripper at the Pink Pussy Cat Club in Auckland (the court found that a stripper was a "worker" covered by the Actors, Actresses and Related Performers Award and therefore entitled to award rates of pay). The most important case before the Arbitration Court, however, was the Federation of Labour's application for a general wage order of 14%. The hearing started in the last week of April, but was then adjourned until the end of May to hear the employers' and the government's views.

A small dispute involving a dozen members of the Northern Pulp and Paper Workers' Federation brought the giant Kawerau mill to a standstill by 31 March. The twelve machine minders had demanded a special payment for cleaning slush boxes beneath their machines. Such a payment, equivalent to an hour's pay, had been made by the Tasman Pulp and Paper Co. over the Easter holidays, but had then been withdrawn. When the men refused to clean slush boxes without extra pay, the company suspended them. The remaining paper workers, 600 in all, then ceased work, whereupon the company used its powers under clause 128 of the Industrial Relations Act (as amended in 1976 when the requirement of one week's notice of suspension was deleted) to suspend the remaining work force, including

all 470 employees of the Kaingaroa Logging Co., a Tasman subsidiary. Altogether more than 2000 workers belonging to 14 different unions were on strike or suspended at Kawerau and Murupara.

Both sides dug their heels in: the company demanded a return to work before it would negotiate over the paper workers' claims, and it insisted that all unions must return at the same time. The unions for their part demanded payment for the time lost while their members were on strike or suspended, and the factory engineers in particular pressed for an undertaking that the company would not again use its suspension powers in industrial disputes. The government was under strong pressure from the employers to intervene in the dispute. The Minister of Labour expressed his support for the company's stand, but the government was not willing to go any further and the deadlock at Kawerau continued throughout April.

MAY 1978

The annual conference of the Federation of Labour, which opened on 1 May, brought few surprises. Sir Tom Skinner, in his presidential address, condemned the National Party's policy of dividing the trade union movement through the imposition of state-run ballots. This, he said, was "an attack on the organised workers" of New Zealand, and the Federation would refuse to operate "at the dictates of the state." The Leader of the Opposition, in his address to the conference, promised that Labour, if elected in November, would repeal "anti-union" legislation and, in particular, would end state-run ballots and abolish the penal clauses in the Commerce Act.

In the election of officers all sitting members were re-elected, with the exception of Mr S. I. Wheatley of the Dairy Factories Employees' Union, who had announced his retirement. His place on the National Executive was won by Ms. Sonja Davies of the Shop Employees' Union, who became the first woman to hold national office in the Federation of Labour.

The conference also approved structural changes which will boost the power of the regional trades councils. The annual capitation was raised from 40c to 60c, which will allow an increase in the grants to trades councils; the National Council, on which the trades councils have a majority

representation, is to meet quarterly in future, instead of twice a year as has been the custom. These changes are expected to bring decision-making closer to the rank-and-file. They reverse the changes in the constitution introduced in 1951, when the National Council, which had been the highest authority between conferences, was downgraded in favour of the National Executive.

Mr A. J. Faulkner, the Labour Party industrial relations spokesman, announced details of the party's policy in a speech at Hastings on 2 May. A Labour Government, he said, would provide for collective bargaining rather than direct government intervention, remove restrictions on union subscriptions to encourage unions to give a wider range of services, introduce paid leave for workers attending trade union education courses, provide funds for the training of union members in administrative and organisational skills, and promote the incorporation of employees into decision-making in industry in full consultation with the trade union movement.

Later in the month, on 26 May, Mr Faulkner introduced into Parliament a private member's bill, the Labour Department Amendment Bill, which provided for better research into industrial relations, improved employer-employee training, further development of conciliation and mediation services, and encouragement of union amalgamation.

The Kawerau paper mill dispute was settled on 16 May, after a total stoppage of almost seven weeks. During the latter stages of the conflict the focus had shifted from the original concern with bonus payments for machine minders to what the unions regarded as the vindictive use of suspensions of workers not involved in the dispute in order to put pressure on the strikers. The government as a major shareholder in the Tasman Co. was very much involved in behind-the-scenes negotiations, with the Prime Minister warning the company that continued government support was conditional on a settlement "within the government's industrial policy." The unions nevertheless regarded the final settlement as a milestone in their efforts to combat repressive legislation. The agreement provided for a mutual early warning system when strike action was contemplated, and an undertaking by the company to use suspen-

sions as a last resort only and to delay them as long as possible. The company also agreed to make special payments to all employees who had been off work during the dispute. The question of extra payments for machine minders was left for future investigation by a committee of inquiry.

Problems in the freezing industry proved to be less tractable. The shift engineers, after a further strike threat, settled their dispute on 5 May by accepting a 4% margin over fitters. But then abattoir workers employed by the Auckland City Council imposed a load-out ban in protest against the Council's reluctance to pass on to them the wage increases won by freezing workers.

In the middle of May the meat workers' unions launched a new campaign for the extension of an 8.5% cost-of-living order to contract workers. This dispute dated back to 1973 when the order was originally made. In 1977, after a prolonged wrangle, the unions obtained a ruling from the Court of Appeal that the increase was applicable to piece workers. Ten freezing works agreed voluntarily to pay it to contract workers as well, but the remaining companies, mostly in the Auckland and Southland districts, refused to follow suit. The unions at these works then imposed go-slows and load-out bans on export meat to enforce their claims. A compulsory conference called by the Minister of Labour for 29 May failed when the unions refused to lift their restrictions; the freezing companies then applied to the Arbitration Court for an emergency back-to-work order in the public interest under a 1976 amendment (section 119c) of the Commerce Act.

A public opinion poll released on 15 May showed an 11% slump in the Prime Minister's popularity. Asked to comment, Mr Muldoon said: "The public want a stronger action on the industrial front and they will get it." Two days later the Minister of Labour announced that Cabinet had approved priorities to police the penal provisions of the Industrial Relations Act. In a speech to Manawatu farmers the Minister listed examples of what he called "tough" government action towards trade unions, and in Hamilton on 19 May he revealed plans for a new industrial penalty: unions would be held responsible for the actions of their members, such as wildcat strikes, even if contrary to union instructions, but would be

given powers to levy their members to pay the resulting fines. This idea, he said, was supported by the Employers' Federation.

The government did, however, resist pressure for still more drastic action against unions. The Minister of Labour warned that the takeover of freezing works by farmers, the withholding of stock unless the meat workers' union was deregistered, or the use of the armed forces to break the trade union ban on exports to Chile, would only result in general industrial disruption. A National Government, he reminded farmers on 17 May, "succeeded in 1951 in breaking a long and tragic strike on the waterfront only because it had the full backing of the Federation of Labour."

Some unions nevertheless took steps to anticipate possible deregistration. The drivers' unions had lodged a claim for a 24% wage increase in mid-April. When conciliation talks broke down because the employers offered only 5.5%, a 24-hour national drivers' strike was called for 8 May, preceded by a campaign of rolling stoppages and bans on handling containers and towing trailers. Award talks resumed on 9 May, but the employers' new offer of 6.5% was rejected by the unions which called for further stoppages. At this point the Minister of Labour intervened with a threat of deregistration, and the Northern Drivers' Union took steps to protect its assets (which would be frozen under deregistration) by reportedly transferring the ownership of its cars. The dispute continued in a lower key throughout May, despite threats of prosecution by the government and a new marginally better offer by the employers.

Other disputes which flared up in May involved secondary school teachers, tutors in technical institutes, public service typists and television film cameramen. The teachers, tutors and typists held nationwide stop-work meetings in support of their wage claims. The television operators, who had already been on strike in April, called a second strike in May which lasted for six days. They then agreed to submit their claims for arbitration by the Public Sector Tribunal.

Building workers on the Mangere bridge contract in Auckland called rolling strikes to press for an improved redundancy agreement. Under the existing agreement redundant workers were entitled to a maximum

of two weeks' wages, but government restrictions were due to expire in June and the unions hoped to gain a new agreement from the Master Builders' Federation. The contractors, however, refused all negotiations and the entire work force on the bridge job — over 140 carpenters and labourers — were paid off on 30 May.

An unusual federation of unions was formed in Wellington on 29 May: the New Zealand Federated Entertainment and Related Trades Industrial Association of Workers. It brings together registered unions of actors, musicians, motion picture projectionists and theatrical workers, as well as a body which had not previously been associated with trade unions, the New Zealand Writers' Guild.

JUNE 1978

Drivers' unions continued to hold stop-work meetings and short strikes in pursuit of their wage demands. After rejecting a revised offer from the employers they withdrew their award claims so as to be able to take strike action legally. Once again rumours of impending deregistration began to circulate, but the situation was defused when the drivers handed their dispute to the Federation of Labour. Sir Tom Skinner, who appeared as drivers' advocate before the Conciliation Commissioner, negotiated an agreement providing for an 11.5% increase. The Prime Minister denounced this rise as "unacceptable" but conceded, when told the facts, that it was "not unreasonable." The dispute seemed settled, but flared up again when the employers demanded further concessions before signing. An angry Sir Tom accused the employers of going back on their word, but this was denied. Amid renewed threats of stoppages the drivers asked Sir Tom to continue negotiations.

The freezing workers' dispute over their 8.5% claim also remained unresolved. On 8 June unions and employers attended voluntarily an Arbitration Court hearing in Christchurch and reached an agreement whereby the employers withdrew their application for a resumption of work under the Commerce Act, while the unions promised to lift all bans and restrictive practices in time for the resumption of a compulsory conference under the chairmanship of Mr Dempsey. In Invercargill, where the freezing works had remained closed for

lengthy periods because of industrial disputes, local farmers drove a thousand starving ewes through the inner city and then performed a grizzly public slaughter. Southland Federated Farmers followed this up with an ultimatum that unless the freezing works resumed normal work, they would press for deregistration of the union and would refuse off-season work to all freezing workers.

The union ignored this threat. The Ocean Beach and Makarewa works remained closed, causing tension in Southland to reach a point where the police feared open clashes between workers and angry farmers. Protest telegrams from farmers flooded into ministers' offices, and the National Party caucus voted unanimous approval of deregistration. It took a hurried visit by the Minister of Labour and senior departmental officers to obtain a resumption of work at the Southland freezing works. The compulsory conference meanwhile concluded its sittings and Mr Dempsey submitted his report on the 8.5% claim to the Minister. The report's recommendations have not so far been made public.

The secondary teachers' salary dispute, which had led to an unprecedented national strike, stop-work meetings, and a ban on processing examination entries, was finally settled on terms which conceded less than \$2 million of the approximately \$30 million the teachers had originally demanded. Angry members of the Post-Primary Teachers' Association picketed their head office and accused their leaders of a "sell-out," while the teachers' executive announced that it would shortly lodge another pay claim.

Members of the New Zealand (except Northern) Journalists' Union, which covers the whole country apart from the Auckland Province, held stop-work meetings when their national award negotiations broke down. Secret ballots gave a 74% majority in favour of a general strike, which started on 30 June and was due to continue for a week.

An unusual dispute took place in Wanganui where 14 members of the domestic staff at the Wanganui Girls' College hostel were dismissed when they joined the Hotel Workers' Union and demanded union rates of pay. The local Trades Council imposed a black ban on the hostel, butchers and bakers refused orders, and delivery trucks were turned away by the striking domestic

workers who picketed the hostel gates. When all attempts to settle the dispute failed, the Hotel Workers' Union served a writ on the College Board of Governors.

A decision by the Auckland Clerical Workers' Union to increase subscriptions by 50% brought an angry reaction from many members. The objectors enlisted the support of "Strike Free," an organisation formed recently to oppose what it sees as the excesses of militant unionism. Together they convened a protest meeting in the Auckland Town Hall which attracted about 900 people. A series of motions in favour of voluntary membership was carried overwhelmingly at this meeting; they are to be submitted to a requisitioned special meeting of the union.

One of these motions asked the government to add the Auckland Clerical Workers' Union to the list of unions which are to be polled this year on the question of compulsory membership. This list now comprises 13 unions, including such large organisations as the Insurance Workers and Bank Officers. The long postponed ballot of Canterbury rubber workers took place in June and brought a huge majority (98%) in favour of compulsory membership, which was carried by 580 votes to 14.

In reply to a Social Credit accusation that the National Party was conducting a campaign of "political scaremongering by seeing a red under every trade union bed," the Minister of Labour denied that there was significant Communist influence in industrial disputes. "The Communists are certainly not a dominant concern," he told the press, "although I do get concerned about one or two instances. When you are sitting at this desk dealing with up to ten disputes a day, you don't see much Communist influence." The Prime Minister, however, disagreed with his Minister of Labour and insisted that "a few reds stir up a lot."

The Arbitration Court heard further argument on the general wage order application and then adjourned to consider its decision.

The number of registered unemployed jumped to 23,619 by 16 June, which is more than four times as high as in June of the previous year. The number of people on special work, released on 28 June, was 17,245, giving a record total of 40,864 people with employment problems.

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