

# INDUSTRIAL RELATIONS CHRONICLE

## APRIL – JUNE 1979

### APRIL

April saw a high level of industrial unrest, with strikes by marine engineers, brewery boiler attendants, refrigerated truck drivers, Air New Zealand engineers, freight forwarders, domestic pilots, and others. Prophets of doom, such as an unnamed "trade union historian", claimed the the New Zealand industrial structure was on a "suicidal slide" and that a disorderly confrontation between the unions and government would occur, probably within six months. The **New Zealand Herald** ran a headline, "Labour unrest holds seeds of civil disruption", while the Wellington **Evening Post** echoed with "There is no saying when the rampaging will stop."

Trade union leaders saw the main cause of unrest in an unprecedented fall in the workers' standard of living. Mr. Rowe of the Employers Federation also blamed price increases, as well as a general feeling of insecurity and ambivalence about New Zealand's future. The Leader of the Opposition claimed that the government was trying to engineer a large-scale showdown with the unions, but the Minister of Labour pointed out that some of the disputes were quite small and that people were possibly over-reacting.

The marine engineers had rejected repeated government requests to give up the wage increases they had negotiated with the Railways Department. On 2 April the government revoked these increases by issuing Economic Stabilisation (Remuneration of Sea-going Engineers) Regulations. At the same time the Minister of Labour stated his intention to set up a commission of inquiry into pay relativities in the shipping industry. The Marine Engineers Institute responded with an immediate 24-hour stoppage which brought all New Zealand shipping to a halt, but this was merely a token protest. The marine engineers announced that they would attend the proposed inquiry and would abide by its decisions. A former president of the Industrial Commission, Mr George Whatnall, was named chairman of the commission, its other two members being a retired general secretary of the National Union of Railwaymen and a retired oil company manager. Two of the four sea-going unions, the seamen and the cooks and stewards, decided to boycott the inquiry on instructions from the Federation of Labour.

Brewery boiler attendants had shelved a dispute in February concerning an hourly registration payment. On 31 March they stopped work in support of a new claim for an 8 cents an hour disability allowance, such as was already received by other brewery trades groups. Production ceased and, as work ran out, the employers suspended about 2000 brewery workers throughout the country. Other members of the Brewery Workers Union – soft drink, winery and distillery workers – then ceased work in sympathy with the suspended men. The boiler attendants agreed on 10 April to return to work and to refer their claim to arbitration, but the protest strike by brewery workers continued and work was not resumed until 18 April.

More than 100 long-haul refrigerated truck drivers began a national strike on 26 March to press a claim for an extra (fourth) week's annual leave to compensate for the high number of days spent on the road. They rejected an employers' counter-offer of one day's extra leave for every 25 nights spent away from home, with a maximum of 5 days a year. The men resumed work on 9 April to

allow conciliation talks to resume. When these negotiations broke down, the Drivers Federation withdrew from the dispute and authorised local drivers to make their own settlements with the employers.

On 30 March the Engineers Union gave Air New Zealand 14 days' notice of industrial action in protest against the decision of the Inland Revenue Department to tax airport workers' travel allowances. These allowances, written into the engineers' award in 1975 but paid out well before then, had always been regarded as exempt from taxation. On 2 April Christchurch airport engineers began an indefinite strike; Auckland airport engineers started a work-to-rule, but two days later normal work resumed at both airports.

Urgent meetings took place between Federation of Labour and government leaders and the Commissioner of Inland revenue, who was asked to look into the whole question of taxing travel allowances. Pilots and airport clerical workers also received these allowances. The latter held a meeting at Christchurch airport and decided not to issue flight tickets to M.P.s and Inland Revenue staff, but they lifted this ban when the Prime Minister threatened to deregister their section of the union. Later in the month the Inland Revenue Department confirmed that travel allowances are subject to tax. Air New Zealand offered to increase the allowance to compensate for extra taxation, pending an appeal against the decision of the Department, but this offer was rejected by the engineers. On 30 April airport engineers voted to call a protest strike on 2 May, and airport clerks voted to support them. The Prime Minister announced that workers who struck against the travel tax would be deregistered without discussion group by group the moment they struck work.

Freight forwarding depots in Auckland and Christchurch came to a standstill on 20 March when about 200 storemen-packers ceased work over a claim for an allowance for handling dangerous goods. The strike ended on 4 April with the employers conceding the union's claim, but the Minister of Labour then threatened to issue regulations cancelling the agreement because it contravened the rule that awards and agreements should stay in force unaltered for a minimum period of 12 months. The union claimed that the agreement did not come under this rule because it involved a safety issue (besides an additional 15 cents an hour allowance, the agreement included new provisions for the handling of dangerous goods and for the protection of storemen). The employers however conceded that the allowance breached the rule but claimed that their hands had been forced by the union's strike action. After an employers' deputation had met the Minister, the union agreed to cancel the allowance but said it would resurrect it during the normal talks to renew the annual award. The employers agreed to pay full wages for the days the men were out on strike.

The pilots' seniority dispute flared up again when 280 Air New Zealand domestic pilots called a lightning strike on 8 April, without the required 14 days' notice. The dispute had festered since the merger of N.A.C. and Air New Zealand was announced 15 months earlier. The men's union, the N.Z. Air Line Pilots Association, was divided over the issue, and the strike was called by the union's N.A.C. Council which represents the domestic pilots. Air New Zealand threatened to dismiss the striking pilots, while the Prime Minister expressed the hope that they would be prosecuted. While the strike continued, the Secretary of Labour chaired meetings between the pilots and Air New Zealand. The Ministers of Labour and of Civil Aviation took part in these talks which led to a resumption of work on 11 April. The Aircrew Industrial Tribunal again considered the dispute, which is to be submitted to an overseas arbitrator.

Members of the Northern Pulp and Papers Workers Federation at the Tasman mill in Kawerau called a 24-hour stoppage for Good Friday, 13 April, over a wage relativity claim. Last minute negotiations averted the strike, but on 18 April 60 electricians at the plant went on strike over the same issue. They returned to work 8 days later when the company agreed to set up a committee to study the problem. The company later proposed to send a task force of 10-12 worker and management representatives overseas to study pay relativities in other paper mills, notably in North America, and to report back by November.

Motor assembly plant workers employed by the N.Z. Motor Corporation in Auckland launched a campaign of rolling strikes to press a claim for travelling allowances. On 10 April the company clos-

ed down its Panmure plant, but ten days later the men resumed work and a settlement was reached whereby the company is to provide buses at a minimum charge.

The Minister of Labour called a high-level meeting in Wellington on 17 April to settle the demarcation dispute over the unloading of the German factory ship **Wesermunde**. Before this meeting, the Federation of Labour arranged a compromise settlement between the unions concerned, the watersiders and fish processors, which gave the watersiders part of the work of unloading. The Minister's meeting failed to resolve the dispute, but on the following day the Federation of Labour and the company involved, High Seas Fisheries Ltd., signed an agreement along the lines of the inter-union settlement reached earlier. It covers the next five trips of the **Wesermunde** only, and provides that work on the vessel's deck will be done by 3 watersiders, and that 2 watersiders will be engaged in each gang landing fish on the wharf. The agreement expires on 31 January 1980, but is subject to any legislative changes made after signing. The employers are anxious to exclude watersiders altogether, and the Prime Minister announced that the government would introduce legislation to ensure that fish are unloaded only by the crew or by fish process workers. Meanwhile the Seamen's Union expressed its interest in manning the **Wesermunde**, whose crew consists of West Germans, with some New Zealand and Portuguese fishermen.

After the compulsory conference on the commercial printers' dispute broke down late in March, union stopwork meetings opted for a ballot on the question of resuming the strike in support of an industry allowance. This national ballot resulted in a clear majority against strike action, which was defeated by 2842 votes to 1361.

The 17,000 strong Labourers Union held a vote on the question of compulsory membership. About half the members voted in secret ballots at 75 stopwork meetings throughout New Zealand, with an 84.4% majority in favour of compulsion. A similar ballot by the Wellington, Taranaki, Marlborough and Nelson Coach and Motorbody Workers Union showed a 93.5% majority for compulsory membership. The N.Z. Journalists Union (which excludes the Northern Industrial District) conducted a ballot on a proposal to affiliate with the Federation of Labour. 65% of the union's 1000 members voted, with 61% of the voters and 7 of the union's 8 branches in favour of affiliation.

The Northern Drivers Union imposed an "industrial fine" of \$2000 on an Otahuhu transport company as compensation for a driver who had suffered an accident because of alleged inadequate safety procedures. The union later altered the claim to one of an ex gratia payment, which the company met by giving the driver additional paid leave.

## MAY

The annual conference of the N.Z. Federation of Labour met in Wellington from May 1 to 4. Sir Tom Skinner, who delivered the opening address, stepped down as president after a reign of 16 years. His successor is W.J. Knox, previously secretary-treasurer, who won the post by 419 votes to 138 for A.J. Neary of the Electrical Workers Union, and 7 for R.C. Cowley of the Auckland Engineers Union. A fourth candidate, W.S. Cameron of the Canterbury Meat Workers Union, withdrew before the poll. A.J. Boomer of the Engineers Union was re-elected unopposed as vicepresident.

The vote for the National executive resulted in the election of E.G.T. Thompson (521 votes), K.G. Douglas (490), Sonya M. Davies (447), W.S. Cameron (446), A. Russ (348) and J. Slater (314). Mr. Slater of the Clerical Workers federation is the only newcomer on the executive. The election of Mr. Knox to the presidency left the secretary's post vacant. Mr. Thompson filled the position temporarily while nominations were called for a postal ballot by affiliated unions. Two members of the National Executive were nominated for the post: Mr K.G. Douglas of the Drivers Federation, and A. Russ of the Carpenters Union.

Mr. Douglas, who is a leading member of the Socialist Unity Party, was attacked by both the Prime Minister and by the Deputy Leader of the Opposition, Mr. Tizard. "We do propose," Mr Mul-

doon told the Wellington Chamber of Commerce on 2 May, "to combat directly the activity of the Socialist Unity Party in the industrial field and I urge employers to stand together and do the same." Mr. Tizard told journalists on 1 May that Mr. Douglas had sometimes acted in a way which the Labour Party would not endorse. "I would be concerned to see," he added, "if Mr. Douglas can separate himself from his political line and work just in his role as secretary." When Mr. Tizard came to address the Federation of Labour conference, he was taken to task in a closed session for what many delegates considered an unwarranted intrusion in the internal affairs of the trade union movement.

The N.Z. Journalists Union, which had just voted for affiliation, was represented for the first time at a Federation conference. A notable absentee was the Printing Trades Union, which had failed to pay its annual capitation. The printers expressed concern that the Federation might "become the vehicle and platform of political aspirants and social revolutionaries." They were also upset, it seems, because Trades Councils had supported the unaffiliated journalists rather than the affiliated printers during the newspaper disputes of 1978.

The Federation conference passed a remit in favour of a general wage order based on a minimum living wage, after tax, for a single-income family. It gave its support to plans for a demonstration at the opening of Parliament in Wellington on 17 May, and for a "week of solidarity" with the Mangere bridge workers organised by the Auckland Trades Council on 21-25 May. It confirmed the ban on trade with Chile, but referred back for further consideration by Trades Councils the Working Women's Charter, which it did however endorse in principle.

Labour Party speakers had a lukewarm reception at the Federation conference, but the rift was healed at the Labour Party conference a fortnight later. Trade unionists gained several major offices in the party: S. McCaffley of the Drivers Federation was elected senior vicepresident, and D.J. Duggan of the N.Z. Workers Union junior vicepresident. Two unionists are among the five members elected to the party's executive, and unionists also gained seats on the influential Policy Committee. Mr. Knox received a standing ovation when he addressed the Labour Party conference.

Late in May the Employers Federation issued a discussion paper entitled "Balance on Bargaining", which proposed tripartite discussions among government, employers and unions at the start of each annual wage round to determine a "wage path"; automatic arbitration where conciliation fails, instead of strikes and lockouts; and the amalgamation of unions and awards. The Prime Minister said the idea was excellent, if the Federation of Labour agreed, but the Federation turned down the proposals, except for the amalgamation of unions.

Last-minute talks between the Prime Minister, the Minister of Labour and Federation leaders failed to avert an Auckland airport engineers' protest strike on 3 May against the taxation of travel allowances. The engineers returned to work the following day, after a secret ballot had decided to accept the government's proposals. The Prime Minister did not carry out his threat of instant deregistration because, as he wrote later, "the dispute would have spread through the country with May holiday air traffic inevitably disrupted." The "peace plan" provides that the Federation of Labour will appeal against the Inland Revenue Department's ruling to the Taxation Review Committee, while the government will set up a one-man commission of inquiry by a taxation expert to look into the whole question of taxing travel allowances.

In mid-May labour problems caused the Australian engineering company responsible for steel erection of the Bank of New Zealand job in Wellington to pull out from the project. 40 boilermakers, welders and riggers received one month's notice of dismissal. Federation of Labour leaders then met the Minister of Labour and agreed on a new formula whereby the Federation accepted responsibility for representing the boilermakers and for negotiating the completion of the Bank of New Zealand and Wellington container crane projects. The Minister, in turn, conceded that "at satisfactory completion of structural steel on the bank job, recognition of the boilermakers' organisation in a form negotiated between the Federation of Labour and the government will be accepted." This would bring to an end the deregistration, in September 1976, of the Wellington Boilermakers Union.

A claim for an additional 6 cents an hour for one boilermaker repairing a cracked bitumen tank, immobilised the coastal oil tanker **Erne** at Whangarei. When the employer, Kiwi Price Engineering

Ltd., rejected the claim and sacked the man, the boilermakers declared the ship "black" and set up a picket line at the wharf. The manager of the engineering firm then gave a week's notice to his 18 employees and said his company would have to close because of intimidation by the union.

The Caretakers and Cleaners Federation called a two-day strike of all caretakers employed in state schools after wage negotiations with the Education Department broke down. The union claimed parity with other state-employed cleaners, and it wanted to take its case to the Education Services Tribunal. Some 5000 cleaners were involved in the dispute which closed schools in many areas south of Auckland. They cancelled the second day of their strike, 22 May, when the government agreed to let the claim go before the tribunal.

Power station workers, who belong to the Public Service Association, held two-hour stopwork meetings on 22 May and 23 May in a dispute over house rentals. Electricity generation was reduced by 50% during these protests, which caused power shutdowns in many areas. The men had taken similar action in 1976 in the same dispute which remained still unresolved.

Retail butchers claimed a 12% wage increase in their new award, plus a \$25 a week industry allowance to achieve parity with freezing workers. The employers' counter-offer was a 9.8% increase and no allowance. After negotiations broke down on 23 May, the butchers called stopwork meetings to decide on further action. Nelson butchers declared a two-day strike on 30 May, and Auckland and Hastings butchers took the same action of 31 May.

The Mangere Bridge dispute was one year old on 31 May, which made it by far the longest industrial dispute in New Zealand history. The government terminated the contract with Wilkins & Davies Construction Co. Ltd on 16 May, but the unions insisted that any new contractor would have to negotiate a satisfactory redundancy agreement before work could resume. The Federation of Labour held talks with the Ministry of Works and Development to find a solution to the dispute.

The Waterfront Industry Commission announced new reduced manning scales on 7 May, under which more than 200 watersiders are to be made redundant or moved to ports needing extra labour. The biggest cut is in Auckland, where labour strength is to be reduced from 1438 to 1250. Already this year 467 watersiders aged between 60 and 65 had volunteered for redundancy under an earlier agreement.

Members of the N.Z. Commercial Travellers and Sales Representatives Union voted to retain the unqualified preference clause in their awards.

## JUNE

K.G. Douglas was elected secretary of the Federation of Labour in a postal ballot of affiliated unions. He defeated his opponent, A. Russ, by 273 votes to 247.

The dispute at the Kiwi Price Engineering Co. in Whangarei which held up the tanker **Erne**, was referred to a compulsory conference chaired by the Auckland industrial mediator, Mr T.E. Skinner. The mediator ruled that the 18 dismissed men should receive redundancy pay, and gave assurances that the repairs on the ship would be completed by union labour. The **Erne** left Port Whangarei on 13 June for Marsden Point, but there a new black ban was imposed by the Whangarei Trades Council because the company failed to make the required payments. The ship was freed a week later, when the men received their redundancy pay through the Labour Department.

Retail butchers who had been on strike in many centres over Queen's Birthday weekend, agreed to a resumption of conciliation talks in Wellington on 11 June. When talks broke down, the butchers held stopwork meetings and announced plans for another nationwide 3-day strike from 20 June. The union had reduced its original claim of a 12% wage increase and a \$25 a week industry allowance, to a 10% increase with a \$15 allowance, and many local master butchers had accepted these terms. The employers' negotiators however stood by their original offer of a 9.8% increase with no allowance. 600 Auckland butchers walked out on 18 June, two days in advance of the planned strike. Hamilton butchers walked out on the following day, but further stoppages were call

ed off pending another conciliation meeting. This time agreement was reached on a five-months award providing for increases of between 12½% and 15½%. The claim for an industry allowance is to be the subject of further study.

The longstanding dispute over power station workers' house rents and house purchases came to a head when the Public Service Association gave the required 14 days' notice of a second power shutdown after 4 July. Earlier in the year the government had increased rents while negotiations were proceeding over a new house purchasing scheme. The P.S.A. regarded this as a sign of bad faith; it asked that the rent increases be deferred to allow negotiations on the purchase scheme to be completed, but this was not acceptable to the government.

The Prime Minister said that he considered the electricity strike threat as the most serious industrial issue he had faced in his time in Parliament, and announced that legislation would be introduced to deregister the P.S.A. The Public Service Association Withdrawal of Recognitional Bill was introduced the following day, 22 June. It not only withdraws official recognition from the association but provides that all its assets are to be vested in the Public Trustee, pending the recognition of another association which meets with the approval of the government. Similar measures have been taken in the past against registered unions, but there is no precedent for such action against a voluntary association of workers operating outside the Industrial Relations Act. The P.S.A. pointed out that the bill contravened an I.L.O. Convention on freedom of association for public servants; New Zealand however has not ratified this convention.

The P.S.A. next called meetings throughout the country to inform its 68,000 members, and to gain support for a strike call should the government go ahead with its bill. The P.S.A. also held talks with the Combined State Unions and with the executive of the Federation of Labour, which conjured up the threat of a combined general strike. On 29 June P.S.A. leaders met the Prime Minister, after which they announced that they had extended their strike deadline by a further 8 days. The government in turn gave assurances that it would not proceed with its bill unless the power station workers took strike action, thus providing a breathing space for further negotiations on the outstanding issues which according to the Prime Minister (the P.S.A. denied this) could be settled within a day.

The government also became involved in a major dispute with another union of state employees, the National Union of Railwaymen. The Railways Department had decided, as an economy measure, to convert the Silver Star train and to cut sleeper services between Auckland and Wellington. The train was withdrawn on 9 June, which affected the jobs of 50 railwaymen. When union objections were overruled, four N.U.R. branches imposed a ban on handling freight consigned to the railways by private freight-forwarding companies. They argued that if the railways had not surrendered this lucrative business to private enterprise, they would not need to cut train services.

The Acting Minister of Labour threatened to "use whatever the law provided" unless the ban was lifted by 19 June. He later extended this deadline to enable the N.U.R. Council to meet, but when further negotiations failed, the only action taken was to suspend railwaymen who refused to handle freight or for whom no work was available. As goods piled up in marshalling yards, the estimated losses in the first week alone exceeded the anticipated savings from the conversion of the Silver Star. On 26 June the N.U.R. leaders agreed to a settlement formula, but 3 of the 4 branches affected rejected it. By the end of the month 2-3000 railwaymen had been suspended, including members of sister unions such as the E.F.C.A. (locomotive engineers) and the R.O.I. (clerical staff). The N.U.R. Council decided to apply for a Supreme Court injunction to stop further suspensions.

Conciliation talks for a new drivers' award broke down on 30 May, with the union asking for a 20% wage increase and the employers offering an average 9%. The drivers' unions then called stopwork meetings to discuss plans for a 48-hour national stoppage.

The Fishing Industry (Union Coverage) Bill was introduced on 8 June. It gives fishermen the absolute right to handle fish at every stage from catching to unloading. It excludes all existing unions from the industry, and excludes the fishing industry from the provisions of the Waterfront Industry Act. The bill allows for the registration of a new union of fishing industry workers with the consent of the Minister of Labour, provided such a union "will assist in the establishment or maintenance of

harmonious relations within the fishing industry."

Mr W. Grills, who had been asked to inquire into pay relativities in the newspaper industry, issued a report recommending increases of 16.2%. Journalists in several centres held short stoppages in protest against delays in implementing these recommendations.

350 Huntly miners went on strike on 16 June over a "wet time" allowance. The strike, which was still unsettled by the end of the month, seriously affected milk supplies in the Auckland area.

The Auckland branch of the Engineers Union called a 24 hour stoppage for 28 June in protest against the government's economic policies. Most of the union's 30,000 members ignored the call, and only about 1000 attended an open-air protest rally to hear the Federation of Labour president, W.J. Knox.

A.P.E.X., the Association of Professional, Executive, Scientific and Managerial Staffs, held its inaugural conference in Christchurch. Another union for salaried staff at the Tasman Pulp and Paper Company's Kawerau mill was granted registration by the Department of Labour. The annual conference of the Education Officers Association, which represents about 1700 administrative and technical employees in teachers Colleges, Education Boards and secondary schools, decided to seek amalgamation with the Public Service Association.

The secretary of the Wellington Trades Council threatened to impose a union ban on the West German Embassy if the ambassador, Dr. Karl Doehring, returned to New Zealand. It had been revealed that Dr. Doehring served in the last war as an Obersturmfuhrer in the Waffen S.S., which had been declared a criminal organisation in the Nuremberg trials.

Sir Arthur Tyndall, judge of the Arbitration Court from 1940 to 1965, died in Wellington at the age of 88.

BERT ROTH