

# INDUSTRIAL RELATIONS CHRONICLE

JULY 1979

Three major disputes involving public servants, railwaymen and miners, which had erupted in June were settled or defused early in July. The conflict with the Public Service Association centred on the government's refusal to defer electricity workers' rent increases pending agreement on a new house purchasing scheme. "There is no chance whatever that the Government will suspend these rent increases," said the Prime Minister on 1 July. A few days later the Government accepted a compromise proposal put forward by the P.S.A. Both sides retreated from the brink: the Association withdrew its notice of direct action, and the Government withdrew its Derecognition Bill. The question of rent increases was submitted to a mediator, Mr. W. Grills, who suspended the increases for one month, in which time he expected the P.S.A. and State Services Commission to reach agreement on the housing scheme.

In the railwaymen's dispute, the Prime Minister offered the appointment of a committee of inquiry into freight forwarding. The conversion of the Silver Star train, he said, was not negotiable, and there was no possibility that railwaymen who had been laid off or suspended during the dispute would be paid for the time off work. The National Union of Railwaymen accepted this settlement but two other rail unions, the Locomotive Engineers Association and the Railway Officers Institute, insisted that their members who had been suspended should be paid for the time lost. This was agreed to by the Department and work resumed on 6 July.

Huntly coal miners ended their 16-day strike on 4 July. The settlement was arranged by the Federation of Labour president, W.J. Knox, who advised a return to work and submission of the dispute to the Coal Mines Council. The Council accepted the union's case for a third man in the team needed to run a roof-bolting machine.

Auckland drivers imposed a ban on rubbish collections when the City Council handed these collections to a private contractor. They demanded that the contractor's employees join their union. On 4 July the Auckland City Council obtained an interim injunction in the Supreme Court restraining the union from impeding city rubbish collections. The union replied that it had not been represented in court, that it had not been served with any papers, and that it had had no notice from either Council or Court. The ban remained in force, with a strong picket line at the City Council's composting plant organised by the Auckland Trades Council and led by the Council's president, G.H. Andersen (who also happens to be secretary of the Northern Drivers Union).

The secretary of the Meat Workers Union threatened a load-out ban on export meat if any unionist was gaoled for defying the court order. A second injunction against the Drivers Union, sought by three Auckland men, was adjourned sine die, and the City Council decided to seek a peaceful settlement. Under an agreement reached on 8 July, the drivers lifted their ban while the contractor agreed that his lifters would join the union. The company also offered to produce proof of its claim that its drivers were owner-drivers and not employees and therefore not eligible for union membership.

Negotiations for a new drivers' award dragged on throughout July without reaching finality. After a 48-hour national strike on 10 and 11 July, the

employers raised their offer to 9.5%, but this was rejected by the unions which had claimed a 21% increase. The unions later lowered their claim to 15%, which was not acceptable to the employers. The deadlock continued, while the drivers engaged in a variety of short disruptive actions to maintain pressure on the employers.

On 9 July the Federation of Labour applied to the Arbitration Court under the General Wage Orders Act of 1977 for a "minimum living wage" of \$147 a week. The Prime Minister had said earlier that he welcomed the principle most heartily, but when the application was lodged the Acting Prime Minister expressed his apprehension, while the Minister of Labour told Parliament he was "a little bit aghast" at the extent of the claim. He agreed, though, that the Court was competent to give a judgement.

The Federation of Labour called a meeting of some 60 union advocates on 19 July to discuss a unified strategy in the current round of award talks. The meeting expressed opposition to government interference in the wage-fixing process through regulations, restraints, deregistration or derecognition, and urged the calling of a national union conference should such interference occur. A few days later, on 24 July, the Prime Minister announced on radio and television that the Government had decided to repeal the General Wage Orders Act (thereby thwarting the Federation's application for a minimum living wage). He also announced an across-the-board pay rise of 4.5% from 3 September, equal to the rise in the cost of living over the last three months.

The Federation of Labour accused the Government of interference (Mr Knox forecast "complete industrial chaos") and called a special conference for 9 August. The Remuneration Bill, which was introduced on 27 July, repealed the General Wage Orders Act and gave the Government authority to fix wages and conditions by regulation, and to nullify or amend any agreement not decided on the merits by the Arbitration Court or other statutory wage-fixing tribunal. The Government, said the Prime Minister, would stop "standover tactics of the type that is typical of Socialist Unity Party-led unions." The Arbitration Court, he claimed, was "incapable of handling the minimum living wage concept."

School caretakers and cleaners, who had been on strike in May over a claim for parity with other state-employed cleaners, obtained a 22.98% pay increase from the Government Service Tribunal. Secondary school teachers held countrywide stopwork meetings to discuss their salary claims, but a ballot produced a majority against strike action.

## August 1979

A meeting of more than 700 Auckland union officials and delegates on 7 August asked the Federation of Labour to call a national strike in protest against the Remuneration Bill. The Bill passed its third reading the following day over opposition from the Labour Party, but the special Federation of Labour conference on 9 August decided to defer action. The conference asked affiliated unions to hold stopwork meetings to inform their members, and it authorised the national executive to call a nationwide strike should the government use its "dangerous and dictatorial powers" to interfere in a wage settlement. The Federation also decided to withdraw from the Industrial Relations Council.

The stalemate in the drivers' wage dispute continued, with negotiations interspersed with industrial action. The unions lowered their claim to 13% but

demanded a reduced term of 9 months for the award, while the employers stuck to their offer of 9.5%, but with increased allowances and an 11 months' term. Both offers were exclusive of the 4.5% general increase decreed by the Government.

Auckland port unions held stopwork meetings late in July to protest against the appointment of a new Port Conciliation Commissioner. The previous Commissioner, Mr H. McAven, had been dismissed with one day's notice after almost 22 years' service and replaced by a new man with, according to the unions, a vested interest in shipping. The new appointee resigned on 3 August and the Minister of Labour later reappointed Mr. McAven.

Secondary school teachers imposed a ban on the marking or handling of School Certificate papers, in protest against inadequate time allowances for the internal assessment of pupils. They later withdrew the ban and resumed negotiations with the Government.

About 35 Storemen at the Auckland plant of Mobil Oil went on strike on 20 July when the company refused to reinstate an employee convicted of assaulting a supervisor. They returned to work on 23 August, but reimposed their ban when preliminary talks broke down. Work resumed on 30 August, following agreement on the appointment of a committee of inquiry chaired by the industrial mediator, Mr. P. Cranston.

The Arbitration Court rejected the Printing Union's Claim for a \$6 a week industry allowance for commercial printers. After strike action in March, the printers had voted in April to take the case to the Court.

A major Auckland building firm, Davison Construction Ltd., was expelled from the Master Builders Association for making a redundancy agreement with the carpenters' and labourers' unions which provided for up to 23 weeks' pay for laid-off workers. The Master Builders' redundancy agreement, which had caused the still unsettled Mangere Bridge dispute, provided for a maximum of two weeks' pay.

Speaking to the annual conference of the Public Service Association on 8 August, Mr. W.J. Knox made a strong plea for P.S.A. affiliation to the Federation of Labour. He received a standing ovation — it was the first time a Federation president had addressed a P.S.A. conference — and the Association approved some cautious resolutions on closer co-operation with the Federation.

Parliament was told, in reply to a question, that 51,000 members of 81 unions had taken part in ballots on voluntary unionism, with 86% voting in favour of retaining the unqualified preference clause.

In the election to the vacancy on the Federation of Labour national executive, caused by the elevation of K.G. Douglas to the post of secretary-treasurer, W.J. Anton of the Labourers Union beat a field of five candidates.

## SEPTEMBER 1979

Negotiators in the drivers' wage talks reached an agreement providing for a basic 11% increase, exclusive of the general wage rise of 4.5% and an increase in allowances, which would take the overall minimum rise to 17.2%. On 9 September, 36 hours before the agreement was due to be signed, the Prime Minister issued a statement that the proposed settlement was unacceptable to

the government, being "clearly inflationary", "excessive by any reckoning" and "far beyond what is necessary to maintain takehome pay." The drivers' unions, he said, had abused the institutions of conciliation and arbitration by standover tactics and senseless disruption. "Neither party to this negotiation," he warned, "may find comfort from whatever moves we may have to make and I would urge them to remember this in their coming deliberations."

K.G. Douglas, the president of the Drivers Federation and secretary of the Federation of Labour, replied that there would definitely be a reaction from the Federation if the Government interfered in the settlement, and that this would "definitely involve other unions." Officials of the Meat Workers Union threatened to suspend their current award talks, while the Leader of the Opposition denounced the Government's move as an open invitation to confrontation. In Auckland the president of the Trades Council, G.H. Anderson, commented that a move towards a general strike was gathering momentum.

Late on Tuesday, 10 September, employers' and drivers' negotiators announced that they intended to stand by their settlement. The Prime Minister then called a cabinet meeting that evening, which decided that regulations reducing the base rate of the settlement from 11% to 9.5% would be made under the Remuneration Act. The term of the award would also be extended to 12 months from the 10 months' term agreed to by the parties. The Prime Minister also announced that the Government proposed to take steps to prevent employers who were price-controlled from passing on any part of the settlement in their charges.

When asked about the danger of a general strike, the Prime Minister replied: "No one is talking about a general strike and I do not think there will be a general strike. Mr. Anderson does not run the trade union movement." The Employers Federation, Manufacturers Federation and Federated Farmers all supported the Government's intervention, while the Public Service Association and the Council of the Labour Party expressed opposition. The freezing workers suspended their award talks, saying there was no point in spending money on conciliation "just to have the government step in and wipe everything."

Trade unions now mobilised their forces. The Wellington Trades Council held 15 meetings attended by 12,500 workers, the Canterbury Trades Council reported 35 meetings in a fortnight, with 99% support for strong action, while in Auckland a meeting of 900 delegates on 17 September called for a minimum 24-hour stoppage in the four main centres and less drastic action elsewhere.

The Federation of Labour executive met in Wellington on the 17th and in response to this rank-and-file pressure issued a call for a 24-hour national strike from midnight Wednesday (19 September) to midnight Thursday, in protests against the Government's cut of the drivers' wage increase. The executive also called a meeting of the Federation's National Council, together with the presidents and secretaries of all Trades Councils, for Tuesday, 25 September, to decide on further stoppages on a "selective basis".

The Prime Minister, who left on the 17th for a month-long trip overseas, expressed the opinion at the airport that "many people could not afford to lose a day's pay". Next day the Government introduced a Commerce Amendment Bill, giving it powers to prevent firms from passing on wage rises to the public

through price increases. The Labour Party opposed the Bill; it also announced its support for the general strike. The Combined State Unions also gave their support and recommended that affiliations join the stoppage. Meanwhile two major awards were settled in conciliation: the electricians' award at 10% and the metal trades award at 10.4%.

The general strike — the first in New Zealand's history — took place on 20 September. No official figures are available of the number of workers who heeded the call. A Government speaker called the strike "an absolute fizzer", but an **Auckland Star** editorial on 24 September referred to "last Thursday's paralysing national stoppage." Labour speakers in parliament mentioned a loss of half a million working days, while the president of the Chambers of Commerce spoke of a wage loss that day of \$27 million, which is more than the total wage loss through stoppages in the previous four years. The strike was not general — it barely touched inner city office and shopping areas — but it was effective in transport and manufacturing. At least 300,000 workers and possibly twice that number stopped work. In Auckland several thousand strikers marched through the city to a rally addressed by Trades Council and Public Service Association speakers.

After the strike, talks between the Government and the Federation of Labour resumed. The Minister of Labour urged the drivers to submit their dispute to the Arbitration Court. The Court's decision, he declared, would be sacrosanct. The unions' response was lukewarm but Mr. R.P. Martin, the president of the Road Transport Association, welcomed the suggestion as a way "to keep the government's sticky little fingers out of it." Addressing his Association's annual conference in Hastings he put the blame for the impasse at the door of the Government and its advisers. "Their handling of road transport-related matters," he said, "has been little short of appalling."

The Auckland Trades Council drew up a blacklist of firms which had encouraged their staff not to join the general strike. The Council president promised further industrial action against these employers and against the Government, if it continued to control wages. Yet the Federation of Labour's enlarged National Council meeting on 25 September, which was attended by the Leader of the Opposition and by representatives of the Combined State Unions, adopted a conciliatory line: there were to be no immediate stoppages, though the executive was empowered to act in case of further Government interference, and the Government was to be asked for another general wage order, to keep up with rises in the cost of living. The drivers, for their part, agreed to submit their dispute to the Arbitration Court.

The Minister of Labour, who had earlier confused the issue by claiming that no agreement on an 11% increase had been reached in conciliation (this was immediately contradicted by the Conciliator, Mr. Bufton), now said the Government had powers to limit the settlement the Arbitration Court could approve. "We cannot allow the Court," he told reporters, "to be used just to get a settlement that had earlier been rejected by the Government." There were angry objections from unions and employers — Mr. Martin of the Road Transport Association said the Court was literally being told to rule in the Government's favour — and the Government hastily back-tracked. The Acting Prime Minister

announced after a special cabinet meeting that he welcomed the decision to go to the Arbitration Court, which was "a responsible act." If the Court was asked to settle a fair and reasonable proposition, he said, there were no problems. On 28 September drivers and employers met to create a dispute for submission to the Court. The hearing was due to begin on 1 October.

The State Services Commission and the Public Service Association reached agreement on a new house purchasing scheme for electricity workers. The mediator, Mr W. Grills, in a report released on 3 September, turned down a request for a moratorium on house rental increases. He suggested however that the Commission waive collection of these increases in the period they were suspended during negotiations on the purchasing scheme. The Prime Minister accepted this recommendation: "It's another of the many gestures of good will we've made towards the P.S.A.", he said.

Negotiations in the freight forwarders' award broke down over the union's refusal to accept a 12-months "peace clause" inserted by the employers. In the dispute at Mobil Oil over the dismissal of a worker who had assaulted a supervisor (who later resigned), the mediator ruled that both men should be offered their jobs back, without pay for the time they had been off work. Mobil Oil expressed itself "not too happy" with the decision, and the union imposed an overtime ban which was not lifted until the dismissed man had been reinstated.

Postprimary teachers announced a plan to take compensatory time for extra work caused by continuing staff shortages. Pupils would be sent home or left with minimum supervision. Government spokesmen called this action "intolerable" and "breathhtaking in its audacity", but the campaign was initiated at Kawerau College, with school starting an hour late on 25 and 26 September.

The Engineers Union asked the Arbitration Court to determine the legality of a wage-rise formula tied to cost of living increases. The Court ruled that indexation clauses could be inserted in awards.

International and domestic pilots of Air New Zealand agreed on the appointment of an independent arbitrator in their dispute over seniority ratings. He is Professor D.E. Sellar, of Berkeley University in California.

The announcement during the drivers' dispute that some transport companies intended to close down altogether because of aggressive union tactics, caused the **New Zealand Herald** to investigate earlier much-publicised closures during industrial disputes. It found that Kiwi Price Engineering Ltd. in Whangarei, which had announced its closure in May during a dispute with the Boilermakers Union, was still in business. So was Pinfolds Transport Ltd. in Carterton, whose owner had told the press in June 1978: "I'd rather sell out than let the union run my business."

Bert Roth