

CHRONICLE

NOVEMBER 1983

On 17 November the Prime Minister rejected an FOL proposal for a general wage order and a bargaining round on new awards at the end of the freeze. The only options, he said, were a small wage order from 1 April 1984 and no movement until 1985, or a wage bargaining round within strict limits later next year. He expected the employers and unions to tell him which they preferred at the next tripartite meeting in December.

The Parliamentary Select Committee continued to take evidence on the Industrial Law Reform Bill. Two major employer groups, the Freezing Companies Association and the Association of Waterfront Employers, recommended that workers should be allowed to decide by majority vote whether they wanted compulsory union membership at their work place. In its present form, they warned, the Bill would worsen industrial relations and create industrial unrest. Pulp and paper employers gave similar evidence, while the Employers Federation argued for compulsory unionism on a limited scale, where between 80 and 85 percent of workers had voted in favour and where the employer consented. From enquiries made at the International Labour Office in Geneva, the employers learned that such post-entry closed shops would not be contrary to ILO Convention 87 on the Freedom of Association. What was contrary, they were told, was provisions in the Industrial Relations Act to restrict or prevent the registration of unions and to regulate union rules and administration, as well as the power of the minister to deregister unions.

The FOL in its submissions rejected the employers' proposals because closed shops at a limited number of work places would not protect workers at other enterprises and would break the national awards system. The FOL condemned the bill as "a way of destroying the trade union movement", as anti-woman, and as a means of creating a situation where wages and working conditions could be further depressed. It also accused the chairman and government members of the select committee of bias. The Minister of Labour, for his part, told a Christchurch meeting on 7 November that his aim was "a more effective union organisation which is able to contribute to important issues of the day in an informed and constructive manner." He was prepared, he said, to recommend a change in the Bill by restoring the right of union officials to have access to work places.

A group of Victoria University lecturers told the committee that no philosophical justification existed for voluntary unionism. Moves in that direction, they said, should proceed only as part of a total industrial law reform and the Bill should be held over for detailed consideration during the parliamentary recess. The New Zealand Law Society, while not expressing any view on philosophical or political arguments, also voiced doubts about the wisdom of the proposed legislation. The Auckland Employers Association expressed concern that small businesses which employed non-union labour, could be declared black by other workers, and asked for extra safeguards in the Bill.

Trade union submissions were unanimously opposed to the Bill, but the Government could take comfort from the employers' enthusiasm for the youth rate provisions. On 21 November the Minister of Labour told the Wellington Rotary Club that the union campaign to oppose the Bill by threats and fear was proving effective. "It is fear of disruption," he said, "that is causing some business and church leaders to urge appeasement and the withdrawal of the Bill. If the unions win this issue, then I would be inclined to agree that they are stronger than the elected government and the will of the people." There would be no compromise, he emphasised, and no deals.

Christchurch unionists walked out of the Select Committee hearings on 21 November, when the chairman ruled that submissions by 3 different groups should be heard together. On the following day the committee decided to cease hearing evidence on the Bill, despite Labour and union claims that the committee's approach had been arbitrary and undemocratic, that evidence by incompatible groups had been lumped together, and that some

witnesses had been denied an opportunity to present evidence.

The controversial State Services Conditions of Employment Amendment Bill was reported back to Parliament on 11 November by a select committee. Changes to the original Bill met some of the objections by the CSU, but there was also a new part 7A, which penalised industrial action affecting "the production or supply of electricity or the management of the electricity system" by employees or service organisations or their officials. The PSA, said president Colin Hicks, was "stunned" by this amendment, which had never been mentioned in their discussions with the Government, and which would place electricity workers "in a straight-jacket of near serfdom". The CSU also declared themselves far from satisfied with the meagre concessions the Government had made in the Bill, though the Employers Federation voiced its opposition because these concessions had watered down the original intention.

During the stormy second reading of the Bill, on 22 November, the Minister of State Services accused the PSA of "dishonourable and unacceptable behaviour", while Labour speakers argued that the Bill was designed to provoke the state unions and was electorally inspired in a desperate bid to hold provincial seats. One Government MP, Mr M Minogue, announced that he would vote against part 7A prohibiting strikes by electricity workers and against the Industrial Law Reform Bill. He attacked as "politically indefensible" the Minister of Labour's "sneering, simplistic approach to complex and potentially explosive problems". The Bill, he said, deserved a degree of responsible, balanced consideration which they could not hope to achieve under present conditions of parliamentary time limitations and work overload.

Cabinet ministers replied that they did not anticipate any difficulties with Mr Minogue who liked to "pot a headline" and who had not indicated any opposition to the legislation in caucus. When the Bill was put to the vote on 24 November, the only Government MP who crossed the floor was Ms Marilyn Waring, but her amendment, to delay implementation of part 7A until 1 January 1985 to allow further study by a select committee, was defeated by one vote, with Mr Minogue voting with the Government. Mr Minogue claimed afterwards that, though he had helped to draft Mrs Waring's amendment, he had been confused when it came to voting on it. Both Ms Waring and Mr Minogue supported a second amendment, moved by the Minister of State Services, under which part 7A would become operative only after an Order-in-Council. The Bill had its third reading on 29 November.

The American Airline Pilots Association sought the assistance of New Zealand and Australian unions in its dispute with Continental Airlines over the employment of non-union pilots. Australian unions decided to ban Continental flights, and the FOL endorsed similar action in New Zealand, but when the Australian unions negotiated a settlement, the FOL withdrew its support for a ban. The New Zealand Airline Pilots Association, which is not affiliated to the FOL, mounted a picket of a Continental flight at Auckland on 11 November, but members of other unions crossed the picket line and the pilots called off their action on the next day.

A Lower Hutt District Court on 7 November dismissed charges brought by BP Ltd against 8 of its tanker drivers who had stopped work in June without giving the required 14 days' notice. The judge ruled that this had become a civil matter when the amendment in 1978 decriminalised section 125 of the Industrial Relations Act. In a similar case in Auckland in January 1983, a judge had convicted drivers under this section, and BP announced that it intended to appeal to the High Court for a definite ruling.

More than 100 cleaners at the Auckland Hospital walked out on 10 November because, they claimed, their employer, Crothall Hospital Cleaning Services, had made major staff cuts which imposed unacceptable work loads and lowered standards of hygiene. They demanded the employment of 25 additional staff. Hospital cleaners in other centres gave 14 days' notice of action in support of the Auckland cleaners, and so did hospital orderlies, kitchen hands and domestic staff in Auckland hospitals. On 29 November, the Auckland Hospital Board and Crothalls filed an application with the Arbitration Court for a back-to-

work order. The union had reduced its claim to 20 extra staff, but the employers' last offer was only 4 additional cleaners.

One hundred and forty riggers ceased work at the Marsden Point refinery extensions on 17 November, in support of a claim for extra payments for work in cramped, poorly ventilated spaces by 5 men who were assembling fin fans. The JVII consortium suspended 282 other workers, as work ran out for them, and on 24 November it threatened to dismiss the riggers unless they resumed work. The riggers returned on 28 November. An industrial conciliator that day rejected their claims, saying they had treated the disputes procedure with "utter contempt", but the Labourers Union decided to appeal against this ruling to the Arbitration Court. Meanwhile, in another dispute at the site, 13 riggers employed by the subcontractor Chicago Bridge & Iron walked out in protest at an alleged assault by a supervisor on a union delegate. They demanded the removal of the supervisor, but they resumed work on 1 December, after an informal conference had been arranged.

On 29 November, some 300 riggers, labourers and boilermakers stopped work on the New Zealand Steel mill expansion site at Glenbrook. They claim that the contractors were employing Engineers Union members on work done traditionally by members of the Labourers Union. The Arbitration Court had ruled in June that neither union had exclusive jurisdiction over riggers and that it was up to the employer to allocate work between the 2 groups. On 30 November, 200 boilermakers walked out at the Marsden Point expansion site claiming that members of the Engineers Union were doing work on pipes which was traditionally boilermakers' work. They returned the following day.

Primary and secondary school teachers decided to hold stopwork meetings to protest against changes in the State Services Conditions of Employment Amendment Bill. "Almost nothing has been gained and some clauses are now more restrictive and even punitive," said the president of the PPTA on 15 November. It was the first time the NZEI had held stopwork meetings in schools, and the Minister of Education criticised the teachers for "resorting quickly to shop-floor tactics in pursuit of their aims". Thousands of teachers throughout New Zealand attended the meetings. The Education Department ruled that pay would be deducted for their absence from classes but, according to the Auckland PPTA, some school principals deliberately withheld the names of teachers who had attended the meetings.

DECEMBER 1983

The tripartite wage fixing talks resumed on 15 December. The parties rejected the option of a small general wage order at the expiry of the freeze, but could not agree on the details of the controlled wage negotiating round which was to replace it. The Government insisted that agreement had to be reached on a new long-term wage fixing system, before transitional wage bargaining could take place. The Minister of Trade and Industry pointed out that the wage negotiating round would not allow increases to come into effect until next September, while prices would start to rise 6 months earlier. This, he said, was a small price to pay for "locking in" a low rate of inflation. Figures obtained under the Official Information Act showed that, since the start of the freeze, the Reserve Bank had approved well over half the applications for increases in directors' fees, some as high as 50 and 75 percent.

The Industrial Law Reform Bill was reported back to Parliament on 1 December. The main provisions were unaltered, but there were some minor changes: union officials retained the right to enter work places; present arrangements on deductions of union fees were extended to 1 June 1984; penalties were added to prevent secondary bans; and members of the armed forces were precluded from joining unions. Two Government members announced that they would vote against key parts of the Bill: Ms Waring against the voluntary unionism and youth rate clauses, and Mr Minougue against youth rates only. Ms Waring argued that the full force of the Bill would fall on weaker female unions and in

before an industrial conciliator, Mr J Bufton, on 7 December without result, but a settlement was reached later and the riggers returned to work on 12 December.

In a demarcation dispute between the Seamen's and Labourers Unions over the manning of the drilling rig *Benreoch*, the Arbitration Court ruled on 20 December that the rig was not a ship while in a drilling mode, and that the Labourers Union was entitled to coverage under the New Zealand Exploration Workers Award. In Britain, where the *Benreoch* is registered as a ship, the Seamen's Union has coverage of the work.

A clause in the Auckland Harbour Bridge Dissolution Act, passed on 15 December, overturned parts of a redundancy agreement reached between the Auckland Harbour Bridge Authority and the Northern Local Government Officers Union. The 2 parties had spent 4 months negotiating this agreement, but according to Government spokesmen it was too generous. Under the agreement workers had an option of taking another job or taking redundancy pay, but under the Act they lost that option and had no right to redundancy pay if they declined a transfer to a job with the Ministry of Works and Development or the Ministry of Transport anywhere in New Zealand. Both the union and the chairman of the Harbour Bridge Authority protested strongly against the Government's intervention. Toll gate staff handed leaflets to motorists headed "1984 has arrived. 'Big Brother' has sabotaged our future."

JANUARY 1984

Talks on long-term pay fixing between Government officials and FOL and Employers Federation representatives resumed on 26 January. The Government had said that it would not agree to a new wage bargaining round this year until agreement was reached on a new long-term wage fixing system, but Mr Knox announced that any decisions made at the talks would have to be referred to the FOL conference in May.

The director of the Auckland Employers Association, Mr D E Stewart, suggested on 6 January that the Arbitration Court establish a permanent base in Auckland. About a third of the cases referred to the court, he pointed out, related to issues in the Northern Industrial District, and many matters took up to 12 months from the time they were filed to the date of a hearing. The present system was not coping with the demands placed on it, and he quoted the example of a major demarcation dispute at the Glenbrook steel mill expansions which had to be heard in Wellington to fit in with the time-tables of the Court members. Mr Bolger said he would listen to arguments if the Employers Federation wanted to put them forward, but Mr E E Isbey, for the Labour Party, supported the call for a permanent court in Auckland. A Labour Government, he said, would provide more resources for arbitration, increase the channels of communication between parties, and allow greater access to final arbitration. The Employers Federation decided to ask the Minister formally to consider setting up a permanent Auckland-based court. But by the end of 1983, the court had a backlog of 200 applications, which were expected to take 170 days to hear. Fifty four of these applications were from Auckland, and another 35 from other parts of the Northern Industrial District. The coming into effect of the voluntary unionism legislation was expected to generate additional business for the court.

The public issues committee of the Canterbury District Law Society described parts of the voluntary unionism legislation as contrary to traditional concepts and "potentially draconian in their effect". An employer, they said, who dismissed or refused to hire a person might be required to prove in court that his motives were not connected with the person's membership or non-membership of a union, while the party making the allegation would have to prove the case only on the balance of probabilities and not beyond a reasonable doubt.

The Employers Federation advised its members to maintain silence on union membership when hiring staff. Many unions however, approached employers with requests to agree to a closed shop. "Our people," said Mr Knox, "will not work with non-unionists."

It would be best to get agreements and let production go ahead, rather than hold up the job". Local Employers Associations held special briefing sessions for their members, and appointed an officer in each regional branch to be responsible for overseeing employer activity and responses to developments after 1 February.

Trade unions prepared for 1 February by holding meetings of their members, obtaining pledges of continued membership and declarations of refusal to work with non-members. The Government, they argued, had claimed to give workers the right to associate or not to associate with unions, but union members had an equal right not to associate with "free-loaders" – workers who took all the benefits won by the union but refused to contribute to the cost.

On 24 January, shop stewards from the 16 unions representing 3 000 workers at the Kinleith paper mill told management that they would not work side by side with non-union labour after 1 February. Similar announcements came from the Auckland Engineers Union, covering 600 work-places in the Northern Industrial District, and from seamen, watersiders, miners, freezing workers, railwaymen, and stationary engine-drivers.

An overtime ban imposed by Portland cement workers in a dispute over planned redundancies prevented the re-opening of the plant on 13 January, after the 4-week Christmas shutdown. The company suspended the 100 workers, who claimed they had been locked out. The men held a public meeting in Whangarei to put their side of the dispute, but work resumed after a fortnight. An industrial conciliator, Mr J Bufton, was to hold a hearing on the issues in dispute.

A 3-month dispute between the Cooks and Stewards Union and the New Zealand Shipping Corporation over the manning of the new container ship *New Zealand Trader* was settled on 4 January, when the parties agreed that an arbitrator should travel with the ship from Taiwan to New Zealand to watch the cooks and stewards at work and decide whether 4 or 5 men were required.

Non-academic university staff voted 934 to 650, in a ballot conducted by the Labour Department, in favour of forming a separate national organisation, rather than be represented by the Clerical Workers Union.

In the dispute over new pay rates for packers at the Te Rapa dairy factory, the company proposed the appointment of an independent arbitrator, but the union called in the FOL. Mr K G Douglas met representatives of the New Zealand Co-operative Dairy Co. on 9 January and submitted a proposal to break the deadlock. Negotiations collapsed and the packers walked off the job on 19 January, but the dispute was settled on 24 January, when the packers accepted a pay offer involving some back pay.

Killing resumed at the Longburn freezing works on 16 January, after a 4-week stoppage. The details of the agreement were not made public, but the union said it was "very happy". Company and union officials also reached agreement in the 3-month old pay dispute at the Horotiu works over a new incentive scheme for lambing room staff. Work resumed on 26 January. At Ocean Beach, on the other hand, freezing workers walked out on 5 January in a dispute over new departmental contracts imposed by the company, which had already caused a stoppage a month earlier.

Mr Douglas succeeded in settling a demarcation dispute over rigging work between the Engineers and Labourers Unions at the Glenbrook steel mill expansions. The agreement gave rigging work to properly qualified members of the Labourers Union, with certain exceptions. It applied not only to Glenbrook, but also to other construction sites in the Northern Industrial District. Mr Douglas continued his efforts to settle another demarcation dispute at Glenbrook, between the Engineers and Boilermakers Unions over welding work.

The operators of the *Benreoch* drilling rig off the Taranaki coast took out an interim injunction against the Seamens Union, because seamen on supply vessels refused to lift the anchors of the rig. The union claimed the right to have 4 men per shift on the rig, while it was being moved to another drilling site. The manning issue went to the Arbitration Court, which found in favour of the Seamens Union.

The Tramways Appeal Tribunal on 9 January ruled that the summary dismissal of an Auckland Regional Authority bus driver, which had caused a 2-day bus strike in Auckland in December, had been justified. The tribunal criticised however, the procedures followed by the Authority and expressed concern at the confused state of rules on complaints and reports.

FEBRUARY 1984

The Prime Minister announced on 1 February that the freeze on wages would be extended until the tripartite negotiations had reached agreement on long-term pay fixing procedures. The freeze on prices, company dividends and directors' fees, on the other hand, was due to end as scheduled on 29 February. Mr A J Neary, of the Electrical Workers Union, called for a general wage order and the lifting of the wage freeze, blaming the employers for "successfully using this long-term procedure as an obstacle to encourage the Government to keep the freeze on". He asked the FOL to convene a special conference now, and not wait until its normal May conference. The Prime Minister said he too would have preferred a general wage order in March, and claimed that the amount he had mentioned to the FOL was higher than the 2 percent stated by Mr Knox. The president of the Auckland Employers Association, on the other hand, opposed a general wage order which, he said, would put hope of achieving agreement on long-term wage bargaining "far down the track".

With its members pressing for immediate pay increases — a pressure that was likely to increase tremendously once prices rose while wages remained frozen — the FOL could see its negotiating strength steadily eroding in the tripartite talks. To avoid being forced to accept unpalatable proposals by the employers, the FOL made a drastic about-face on 29 February — 8 hours before the freeze expired — and "insisted" on a general wage order from 1 April. The tripartite talks, said Mr Knox, were close to breaking down and he doubted that any agreement was now possible.

A team from the International Confederation of Free Trade Unions, led by its general secretary, arrived in New Zealand on 8 February for a short visit to investigate the condition of unions. Both the Prime Minister and the Acting Minister of Labour refused to meet the delegates. At a press conference, the leader of the delegation described the voluntary unionism legislation as "a piece of union-busting in disguise".

February 1 was the first day of voluntary unionism. "Unions," said Mr Knox, "should approach non-unionists, and particularly anyone who wants to opt out of a union, and educate them to show what benefits accrue from membership and the protection they will receive". Throughout February, newspapers carried out periodic surveys of resignations, which showed that their number was surprisingly small, with the exception of the clerical workers. In the Northern Clerical Workers Union resignations reached the 5 percent mark in the third week of February, but elsewhere the figures were mostly in the vicinity of 1 percent, while watersiders and freezing workers were among the few unions which reported no resignations. The Post Office Union, with 39 000 members, had 22 defections in the first week of February.

Wherever possible, union officials sought to contact members who had resigned and asked them to reconsider, sometimes with success, but shop-floor members often took more vigorous action. Mataura freezing workers walked out on 2 February, when a new slaughterhouse assistant, who had started work a week earlier, failed to join the union. The man changed his mind a day later, and work resumed.

Journalists employed by the *Christchurch Press* imposed a ban on copy received from the paper's Timaru reporter, who had resigned from their union from 15 February. The company considered the ban to be strike action, and asked the Arbitration Court to order a secret ballot of members of the Journalists Union.

Six hundred workers at the Otahuhu railway workshops went on strike on 17 February because they refused to work alongside non-union labor. Two men had resigned, one from the National Union of Railwaymen, the other from the Locomotive Engine Drivers

Association, on the grounds that the Bible told them to obey their master, and their master was their employer. Two days later, the men agreed to rejoin their unions, after officials had convinced them that religion and unionism did not conflict.

Three hundred and fifty carpet workers at the Feltex mill in Riccarton struck on 20 February when one man resigned from their union because it had voted in favour of a closed shop, which was illegal. Mr Knox pledged support from the FOL and the Canterbury Trades Council launched an appeal for funds to support the strikers, while the Minister of Justice told a National Party meeting that Feltex should exercise its legal right and prosecute its workers. The Leader of the Opposition condemned the strike, urging unions to avoid election-year confrontations with the Government. On the fifth day of the strike, a second worker gave notice of resignation for the same reason, but on 27 February both men withdrew their resignations, while the union rescinded its resolution in favour of a closed shop. Work resumed at Feltex, but further industrial action by woollen workers was threatened at the UEB Awatoto plant near Napier, when a worker sent in his resignation from the union.

On 23 February, 15 members of the Northern Stores Union at Kent Heating Ltd in Auckland decided to "isolate" a new worker who had refused to join their union. About 100 South Canterbury brewery workers walked out on 27 February, after 2 men had resigned from their union. They returned on 1 March, after deciding to black the work of the 2 who had resigned. Four men, who normally worked alongside the defectors, remained on strike. One hundred and sixty members of the Engineers Union walked out at the Comalco Extrusions plant in Auckland on 28 February, because one worker had resigned from their union.

Mr Knox was re-elected unopposed for a further 5-year term as president of the FOL. Mr Douglas was re-elected unopposed as general secretary.

The demarcation dispute over welding work at the Glenbrook steel mill expansions was settled on 8 February, on the basis that the Engineers and Boilermakers Unions would share the work.

The 6-week old stoppage at the Ocean Beach freezing works ended on 15 February, when a union meeting accepted a settlement reached under the chairmanship of industrial conciliator, Mr L Fortune.

The Institute of Marine and Power Engineers placed a ban on the sailing of the container ship *New Zealand Trader* in a dispute over manning levels; the Institute wanted 4 engineers employed on the ship, but the New Zealand Shipping Corporation said only 3 were required. The Shipping Industry Tribunal ordered the union to release the ship; in retaliation the Institute asked engineers on all New Zealand-crewed ships, except the inter-island ferries, to hold 24-hour protest stoppages.

Rail services between Gisborne and Wellington were disrupted for a week in a dispute over staffing levels at the Napier station. Normal services resumed on 11 February.

A deputation from the Kindergarten Teachers Association, who met the Minister of Education to discuss the plight of unemployed teachers, expressed dismay at what they called the Minister's "rudeness". "I will not tolerate shouting from kindergarten children," said the association's president, "and I don't see why we should put up with such appalling behaviour from him". The Minister replied that the Association's "pay up or else" basis was "quite unacceptable".

New Plymouth watersiders on 6 February placed a picket across the LPG carrier *Coral Gas* to prevent loading of the first bulk shipment of Maui petroleum liquid gas from Port Taranaki. They claimed that they had the right to load the gas, but that the Liquegas Co. had brought in its own men - members of the Engineers Union - to do the work. A Waterfront Industry Amendment Bill, now before a parliamentary select committee, proposed that hazardous products such as LPG should be handled by specially trained staff. Liquegas obtained an interim injunction on 10 February restraining further union picketing. In negotiations with the union the company agreed to let observers from the Watersiders and Engineers Unions be present at loading and discharging to enable them to argue their case before the select committee.

Books received

- Fosh, P *The active trade unionist : a study of motivation and participation at branch level* Cambridge, Cambridge University Press, 1981, ix and 155p. Price : £10.50.
- Robson, M *Quality circles : a practical guide* Aldershot, Gower, 1982, x and 204p. Price : A\$29.00.
- Minford, P *Unemployment : cause and cure* Oxford, Martin Robertson, 1983, viii and 262p. Price : \$41.25.
- Lansbury, R D and Spillane, R. *Organisational behaviour : the Australian context* Melbourne, Longman Cheshire, 1983, 278p. Price : A\$14.95.
- Hague, D and Wilkinson, G *The IRC - an experiment in industrial intervention* London, Allen and Unwin, 1983, 316p. Price : \$63.75.
- Kamata, S *Japan in the passing lane* London, Allen and Unwin, 1983, xi and 211p. Price : \$34.25.
- Bate, P and Mangham, I *Exploring participation* Chichester, Wiley, 1981, xii and 290p. Price : £13.80.
- McLaren, R I *Organisational dilemmas* Chichester, Wiley, 1982, ix and 130p. Price : £10.00.
- Dilts, D A and Deitch, C R *Labor relations* New York, Macmillan, 1983, xv and 476p. Price : \$55.00.
- Heller, F A and Wilpert, B *Competence and power in managerial decision-making* Chichester, Wiley, 1981, xiv and 242p. Price : £16.75.
- Bowers, J, Deaton, D and Turk, J *Labour hoarding in British industry* Oxford, Blackwell, 1982, 163p. Price : not stated.

21 MAY 1984