

CHRONICLE

JULY 1986

In submissions to the tripartite wage talks of 15 July, the Employers Federation warned of economic gloom in case of a repetition of the 1985-86 wage round "in form or magnitude". There was no room, said Mr Rowe, for wage increases above "a very minimal level". The FOL submissions were not made public, but were reported to propose a two-stage wage round, with an agreed wage movement in September-October in line with the inflation rate, and a second increase next April to take account of the impact of the Goods and Services Tax. The unions' main concern was to preserve the national award system, and the Auckland Trades Council launched a campaign in support of the system on 15 July, by asking members at each workplace to question their employers on their attitude. Employers who opposed the award system, warned Council president Mr Andersen, were liable to be hit with industrial action. The Auckland Engineers Union reported on 24 July that of 400 firms questioned, 100 had thus far responded: 33 firms expressed support, 4 were opposed, and the rest made no comment. On 25 July the campaign produced its first strike when about 100 clerical and store workers at L D Nathan's South Auckland distribution warehouse walked out because the company had refused to endorse the award system in writing.

Top union leaders met cabinet ministers at a private social function in Wellington on 27 July, but the discussion on a possible wage accord was, according to Mr Rodger, merely "tangential" and no further meeting was planned. Mr Neary, of the Electrical Workers Union, had warned earlier that any agreement reached would not be binding on unions not affiliated to the FOL.

The release of a Labour Department report in May suggesting the forced amalgamation of unions with fewer than 2000 members gave fresh impetus to union merger talks. Among projects reported was an alliance between boilermakers and stationary engine-drivers, with a possible extension to plumbers, coachworkers, moulders and shipwrights; a merger of the Northern Rubber Workers and Northern Furniture Workers Unions with the Engineers Union; and the amalgamation of the Northern Paint and Varnish Workers Union with the Northern Drug and Chemical Workers Union. Hotel workers officials were discussing a merger with the cleaners and caretakers unions, but this project was opposed unanimously at a meeting of Canterbury hotel workers. The employers, on the other hand, urged a system whereby workers at each workplace would decide by ballot which union would represent them and unions would be forced to compete for members. Bargaining, they said, should not be done nationally but on site, with wages and conditions based on the specific circumstances of each workplace. Such a system, Mr K Douglas told the Post Office Union conference on 30 July, would cause unions to cannibalise each other and would split the union movement.

The Union Representatives Education Leave Bill was passed by Parliament with some significant changes to take account of employer objections. Employers gained increased representation on the proposed authority and changes were made in the computation of leave entitlement. The Employers Federation nevertheless restated its opposition to the measure and the National opposition promised to repeal it if it became the government.

The Railways Corporation earlier in the year proposed to the Cooks and Stewards Union the introduction of new shift arrangements on the inter-island ferries, which would reduce crews by a third, from 215 to about 144. The union executive supported the plan but 3 stopwork meetings of members rejected it. The Corporation announced that it intended to push ahead despite the rejection.

A survey of junior doctors' salaries in Auckland hospitals showed that they were earning on average \$965 for a 60-hour week, compared with \$590 last year, an increase of more than 63 percent.

Mr R Campbell announced his intention to resign as secretary of the Distribution Workers Federation at the annual conference next May, for personal reasons and for the good of the union. Another senior member, long-serving drivers official Mr S McCaffley, who had opposed the restructuring of the Federation, decided to leave this August. The Canterbury-Westland Drivers Union announced that it would hold members' meetings to discuss

disaffiliation from the Distribution Workers Federation because of dissatisfaction with its policies. Mr Campbell also ran into opposition from state service unions and the Wellington Trades Council president Mr P Kelly over his support for the sale of shares in the Bank of New Zealand, of which he is a director.

AFFCO, the Auckland Farmers Freezing Co-operative, announced on 24 July that the Shortland meat works in Auckland would close on 24 October, putting 950 people out of work. Political leaders predicted further closures of meat works, and the FOL urged the Government to call a conference to consider the future of the industry.

Young people delivering household milk won wage increases of between 23.4 and 24.7 percent, following negotiations between the FOL and the Milk Vendors Association. According to Mr Knox, the new rates were a step in the right direction but were still too low.

Production at the Tasman mill at Kawerau came to a standstill on 18 July, when 640 pulp and paper workers walked out after a delegate was suspended for refusing to train a recruit. The new appointee was a woman and the company claimed that the union objected to the employment of women, but according to the union its objection was the the appointment of an outside applicant over existing staff. The applicant's sex was not an issue, they said, and the union had not challenged the employment of another woman shift worker. They accused the company of breaking a written agreement to give existing staff priority over outside applicants, provided they had the relevant qualifications and work experience, while the company in turn accused the workers of breaking their contracts by striking.

On 22 July a meeting of members of the Northern Federation of Pulp and Paper Workers decided to continue the strike. The Tasman company wrote personal letters to each striker, and its operations manager opened a "hot line" on commercial radio to communicate with his staff. He had 12 callers on the first morning, 8 of whom were "genuinely interested in understanding our position and seeking information". The manager also received a letter from a striker's wife, he reported, who urged him to close the mill, dismiss the staff, and rehire them on reasonable terms. On 31 July the company, which claimed to be losing \$280 000 a day, sent a further letter to each striker seeking a new agreement on terms of employment.

Public servants held stopwork meetings early in July to discuss the Government's failure to give guarantees of job security and terms of employment in the proposed new state corporations. In the northern region PSA airport workers, staff of the Lands and Survey Department and Forest Service, naval dockyard and power station workers, cleaners and others decided to give notice of industrial action unless the Government met their concerns. The Government's response was a warning by Mr R Douglas that state wages would be pegged back by about 3 percent from whatever private sector workers won in the coming wage round because, he claimed, state rates had gone ahead of private rates. The minister also announced Government spending cuts of up to \$1000 million this year. "Mr Douglas hit the blue fuse", commented the president of the PSA. "I've little doubt that the action will escalate because of his announcement."

Mr Rodger told Parliament on 17 July that employees of the new state corporations would be covered by an extensively modified State Services Conditions of Employment Act, but this failed to prevent the first strike, by Auckland airport workers, who held a 24-hour stoppage from noon on 25 July which interrupted all domestic and international flights. Auckland Forest Service and Lands and Survey staff stopped work on 28 July, and Auckland government cleaners on 30 July. PSA coal mines staff at Huntly gave 14 days' notice of industrial action and public servants in Wellington and other centres adopted similar resolutions.

Ministry of Transport traffic officers in the Auckland region called a series of stopwork meetings to discuss delays in the settlement of their wage claims. Negotiations of the longstanding prison officers' pay dispute resulted in an offer from the State Services Commission of increases of between 20.2 and 34.6 percent, backdated to 10 November. The PSA recommended acceptance of the offer, which was referred to a national ballot of prison officers. A stopwork meeting of staff at Paremoremo prison on 23 July voted, with one abstention, to reject the offer, which they denounced as an insult and "nothing short of blackmail", but a majority in the national ballot (18 out of 21 prisons) approved the deal.

Farm workers gained a 12 percent increase in their minimum rates of pay as from 1 April, while educational psychologists were awarded rises of between 22 and 38 percent by the Public Sector Tribunal.

The Waterside Workers Federation reached agreement with the Association of Waterfront Employers on a reduction of the national workforce by up to 350 men. Workers over 60 at Auckland and over 55 at other ports were to be offered a voluntary redundancy package of an average \$30 000.

Among unions which held ballots on the compulsory membership clause were the Northern Labourers Union (4260 in favour, 901 against, out of a total membership of 8500) and the NZ Shop Employees Union (82 percent in favour).

AUGUST 1986

Discussions between the unions and the Government on a managed wage round in exchange for retention of the national award system brought no result. The Government refused to give guarantees to retain national awards but it was said to have offered a 6.5 percent general wage increase. According to Mr R Campbell, who had been the main proponent of a government-union "accord" and who resigned from the FOL national executive late in August, the FOL leadership had been "incompetent" in seeking an incomes agreement and had failed to adapt to the new economic and political environment created by the Government. Media comment linked Mr Campbell's surprise resignation (following his earlier decision to resign as secretary of the Distribution Workers Federation) to clashes with union leaders over his support for the sale of Bank of New Zealand shares, but he described it as "simply a personal decision". Campbell did not resign from the executive of the Labour Party nor from his post as director of the Bank of New Zealand, and a writer in *Metro* described him as "a classic case of a left-winger heading rightward as his career progresses". Campbell however dismissed suggestions that he had sold out to the "capitalist lobby" as coming from the "lunatic fringe" of the labour movement.

One problem for the FOL in its negotiations with the Government was its inability to control the actions of unaffiliated unions, such as the electrical workers, who announced on 4 August that they would seek an 18 percent increase in the coming wage round. The president of the Electronics Manufacturers Association asked that negotiations on the electrical workers' award be held over until April, when the impact of GST on the industry could be assessed. Southern employers pleaded poverty because of the rural downturn and proposed a zero wage round, and the president of Federated Farmers also asked for nil increases in the meat and agriculture-related industries. Sir Robert Muldoon called for a return to wage restraints, but the Minister of Labour, speaking to a conference of employer advocates in Rotorua on 12 August, dismissed the idea of wage freezes and wage pauses because they caused distortions in the economy and additional pressures when the bans on negotiations were lifted. The Government would not set guidelines for the wage round, said Mr Rodger, but he urged employers to stand firm and resist industrial pressures, "possibly for longer periods than in the past". It was their responsibility, he stressed, to see that the 15.5 percent plus settlements of the 1985-86 wage round were not repeated. The employers agreed to adopt a hard line, and the final meeting of the Tripartite Wage Conference on 26 August broke up without reaching agreement on a guideline.

While unions started booking dates for negotiations in the 1986-87 round, which was due to start on 15 September, some awards negotiated in the previous round, covering timber workers, factory engineers, hospital fitters and others, were still unsigned. The musicians settled their award in August, with a 15.5 percent increase, and the Auckland-Tomoana Freezing Workers Union finally signed the meat workers' award on 7 August. Rubber industry employers filled wage round claims with the Arbitration Court ahead of the rubber workers' unions, with the aim of forestalling a union move to combine the Wellington and Christchurch awards.

The Railways Corporation proposed that the question of paying fares to Wellington for Cook Strait ferry crews should be tackled on a shipping industry basis and not by the railways alone. Under their award ferry crews were entitled to live anywhere in New Zealand and, according to the Corporation, it cost \$1.4 million a year for air fares, hotels, taxis and meals to bring crew members to Wellington, with some living as far away as Coopers Beach and Bluff. The NZ Shipping Corporation was also concerned with cutting expenditure on staff. Following a report by the Maritime Review Committee, it asked the four maritime unions to accept a wage freeze and reductions in manning. It also announced that its senior managers had already volunteered to forego pay increases. Another report released in August, by the Port Industry Review Committee, recommended the amalgamation of existing waterfront unions. The general secretary of the Waterside Workers Federation welcomed this proposal, while the secretary of the Harbour Board Employees Union criticised another recommendation of the Committee which called for greater private control of port operations.

Members of the NZ Journalists Union voted 557 to 83 in favour of retaining compulsory

membership. They also approved affiliation to the proposed NZ Council of Trade Unions.

The 1500-strong workforce at the Glenbrook steel mill extensions site were locked out on 28 August, because of repeated stoppages. According to management, a third of working time had been lost in the previous 3 months through strikes, absenteeism and time wasting. The contractors refused to reopen the gates unless the unions involved gave assurances that work would continue at a reasonable pace.

Tasman paper workers voted to return on 5 August, but the company declined to offer them work until they gave a number of assurances and commitments covering continuity of production during disputes and the right of the company to change manning patterns and operations. "They're asking us to sign an open cheque for redundancies", commented the union secretary, Mr J Murphy. The 640 workers refused to sign the company's 6-point document and the lockout continued throughout the month. The company advised the 800 members of other unions and 470 salaried staff that work would be available for them until at least 29 August, but on 19 August it announced that the entire mill would be shut down indefinitely from 3 September, when all union members would be laid off.

The combined mill unions called for a reopening of discussions, but Tasman's chief executive replied on 21 August: "We have gone long past the day of negotiations. We have been prepared to negotiate in the past, but it has got us nowhere." The Prime Minister ruled out Government intervention in the dispute, but he also attacked the paper workers' union for precipitating industrial discord "because a woman was employed as a production worker". Production at Kawerau, said Mr Lange, could not continue at about 6 times the labour cost per production unit that they have in Canada. On 27 August Mr Knox was able to bring the parties together for discussions at FOL headquarters in Wellington, but the meeting broke down when the company rejected a union offer to resume work before talks began on the acceptance of the 6-point document.

Staff at the Paremoro maximum security prison decided to seek a High Court injunction to stop the PSA accepting the State Services Commission pay package for prison officers. The only other prisons whose staff had earlier voted to reject the deal were New Plymouth and the Paremoro medium security prison.

PSA president Mr C Hicks told the Association's annual conference that the Government's restructuring plans were a time bomb waiting to go off, that the PSA was on a collision course with the Government unless good sense prevailed, and that the next few months would be critical to a membership which was already restless. The Minister of State Services announced that the Government and the state sector unions had agreed to more flexible pay-fixing arrangements for the new state corporations, including the removal of the annual general adjustment, but subject to the preservation of all existing entitlements for staff moving into the new enterprises. The PSA conference heard that the Association's membership had risen by 4600 in the year to 31 March, to an all-time high of 73 223. The conference decided to set up a separate structure for Maori members who would be represented throughout the PSA hierarchy, and to hold a national hui of Maori members next April. On 31 August the Deputy Prime Minister Mr Palmer told the Labour Party conference that the Government had allocated \$500 000 for a study on how public servants' lives will be affected by the plans to set up new state-owned enterprises.

The Government Services Tribunal awarded technical institute tutors pay increases of between 25 and 40 percent. The Association of Teachers in Technical Institutes (ATTI) had claimed a 39 percent across-the-board increase.

Store workers at the Dulux paint factory in Mt Wellington went on strike on 4 August when the company refused to sign a Trades Council document supporting the retention of the national award system. Dulux progressively suspended other staff as work ran out, and 4 weeks went by before the dispute was settled and full work resumed.

A dispute over the dismissal of a driver, which threatened to disrupt Auckland bus services, was settled "on the air" on 20 August. 1ZB radio host Leighton Smith, who had taken an industrial relations course at Victoria University, invited representatives of the Tramways Union and the Auckland Regional Authority to discuss the dispute, and the 2 sides agreed to refer the dismissal to the Arbitration Court. The ARA undertook to reinstate the driver in the meantime, in a servicing department, and the union called off the threatened protest action.

SEPTEMBER 1986

The annual conference of the FOL in May had made provision for a special conference in September to ratify any agreement with the Government and employers on a managed wage round. No such agreement was reached in the official tripartite conferences, nor in last-ditch talks, held at the request of the FOL on 1 September. The FOL proposed a two-part wage round, with early moderate settlements followed by a top-up next autumn to match inflation, but the employers wanted to see a range of settlements to reflect ability to pay, not excluding nil settlements in hard-hit industries. The Labour Party conference in August had passed a resolution calling on the Government to continue the national award system as the central method of setting award rates but the Prime Minister, on 2 September, refused to give any assurance on national awards which, he said, were being examined by a cabinet committee. Mr Lange also warned unions that they would have to accept changes and accused them of being too conservative, while the Minister of Finance was more specific in a speech to investors in London, telling them that the Government planned to eliminate "labour market rigidities" by legislation which would "allow greater regional and firm-specific variation in wage settlements and increase the potential for workers to form new bargaining units".

The special FOL conference, which met on 3 September, approved continuing talks to reach agreement on a managed wage round and proposed an initial \$24 flat pay rise for all workers, equivalent to 6.5 percent on the average weekly rate, but more than 10 percent for lower paid workers. It also urged unions to mobilise rank-and-file support for this initiative. Mr Andersen, of the Auckland Trades Council, had earlier called for "a lot more militancy", but Mr Campbell, writing in the *Sunday Times*, warned that "talk of confrontations or showdowns over industry change or wages is dangerous to the interests of the people such talk purports to serve".

On 5 September the FOL held further talks with the Employers Federation. The employers were reported to have offered a flat increase close to 4 percent (or \$14 a week), but with no later top-up, opt-out clauses or second-tier bargaining. This was unacceptable to the FOL, and on 9 September the Engineers Union announced that it would seek a flat \$24 increase in the important metal trades award, covering some 38 000 workers. The union formally lodged this claim at the opening of the 1986-87 wage round on 15 September, but on the second day of conciliation talks the metal trades assessors decided "because of difficulties in negotiating a single award" on a joint approach to the FOL and the Employers Federation to resume discussions on a central wage deal.

The FOL reportedly reduced its original claim and the talks came close to agreement, with the question of a later top-up still in dispute, but on 22 September the Prime Minister announced that both parties had missed a Government deadline for submissions (a deadline of which both parties claimed to be ignorant) and that there was no longer hope for a Government-regulated wage round. The round, said Mr Lange, had already started and would continue; employers and FOL could find a way to manage their own round, but the Government was unwilling to be the "rabbit-plucker". "The wage round", said the Employers Federation director of advocacy, "will now go ahead and each industry will fight its own battles according to its own circumstances".

Following on this final collapse of central talks, the Engineers Union raised its claim to 14 percent (or about \$33 a week on minimum rates), and the Northern Store Workers Union increased its claim from \$24 to \$36. The drivers' unions however, whose advocate Mr Campbell had earlier refused an FOL request to suspend award negotiations while talks on a central deal proceeded, lowered its claim from \$24 to \$22. A special advocates' conference convened by the FOL on 29 September urged all unions to seek higher pay rises than \$24 and undertook to work closely with the FOL executive in its approach to the wage round.

The long-awaited white paper "Government Policy Statement on Labour Relations" was released on 29 September. Described by the Minister of Labour as "the most significant reshaping of industrial relations since 1894", the document proposed a minimum size of 1000 members for registered unions, which will affect two-thirds of existing unions (154 out of 233) and force them to amalgamate into larger units. "Contestability" — the right of unions to compete for members, which had been strongly opposed by the FOL and rejected by the Labour Party caucus and conference — was watered down by retaining a registered union's blanket coverage but giving workers the right to decide by ballot to which union they wished to belong. Award coverage and organisation were to be extended to homeworkers, young

persons, and workers employed by charitable or non-profit organisations, and authorised union officials were to have the right of access to time and wages books.

The national award system was to be retained but, if unions wished to opt for second-tier bargaining, the workers concerned were to be removed from award coverage so that a worker would be covered by one award or agreement only. Unions were no longer required to operate in related industries only, and they were to be free to negotiate on what were hitherto non-industrial matters, such as superannuation, new technology or the provision of childcare facilities. The Arbitration Court was to be split (once again) into an Arbitration Commission responsible for wage-fixing, and a Labour Court, based in Auckland, Wellington and Christchurch and authorised to deal with all legal matters arising from industrial legislation, including common law actions for injunctions and damages. The proposed changes were to be embodied in a Labour Relations Act, which the Minister hoped to introduce before Christmas, though it was not likely to be passed until mid-1987. The new act was to apply to workers now covered by single-sector arrangements and the Government planned to repeal the controversial Fishing Industry (Union Coverage) Act of 1979 and the Whangarei Refinery Expansion Project Disputes Act of 1984.

The Tasman company shut down the Kawerau paper mill on 3 September and issued lockout notices effective from 10 September, amid mounting pressure on the Northern Pulp and Paper Workers Federation to accept the company's 6 demands. A group of women offered to provide labour to keep the mill open, a Kawerau organisation called on the Government to stop dole payments to out-of-work mill staff, the Bishop of Aotearoa came to Kawerau to talk to Maori workers (who comprise a majority of the Tasman workforce), and a Caxton mill paper worker (and former Social Credit candidate) called a mass outdoor meeting to coincide with a union meeting addressed by Mr Knox on 4 September. That meeting, nevertheless, voted 267 to 189 against accepting the company document.

The chairman of Fletcher-Challenge, Sir Ron Trotter, deplored Mr Knox's "unhelpful" intervention in the dispute, but the Prime Minister went further and accused the FOL leader of being "completely irresponsible" in suggesting arbitration to break the standoff. On 8 September Mr Lange suggested that Mr Knox retire from the Kawerau dispute and that Mr K Douglas step in to tell the workers the truth. Mr Knox replied that the Prime Minister's comments were designed to divide the trade union movement, while Mr Douglas accused Mr Lange of attempting to give him "the Judas kiss". Meanwhile separate meetings of company and union representatives with the Minister of Labour failed to achieve a settlement.

On 10 September the combined Tasman unions (12 in all) formally handed the dispute to the Federation of Labour. A day later the paper workers' union, hitherto registered as a friendly society, decided to apply for registration under the Industrial Relations Act to protect its coverage. The immediate impetus for this step was a decision by the Arbitration Court that in a demarcation dispute between an incorporated society and a registered union the latter had to win. Registration also met one of the Tasman demands, for it meant that agreements between the company and the union would remain in force even after their expiry date. A private member's Industrial Relations Bill, allowing workers to make site agreements and to opt out of national awards was defeated in Parliament on 17 September by 38 votes to 30. The Minister of Labour called it "political posturing and industrial muckraking".

Talks between Tasman and the FOL-led combined unions resumed on 18 September. Under pressure from the other unions the paper workers accepted 5 of the 6 company points, but they sought concessions on the question of manning levels and the proposed loss of 91 posts. Further negotiations in Wellington brought final agreement on a deal which was submitted to a meeting of paper workers in Kawerau on 30 September. Only 71 out of some 450 present at the meeting voted against the proposal, which ended the 76-day strike and lockout. The paper workers accepted the company's 6 demands, with some minor alterations in wording, but they gained the appointment of a disputes committee, chaired by former FOL vice-president Mr T Thompson, which was to rule on any dispute arising out of the agreement, subject to a further right of appeal to the Arbitration Court.

Another lockout, at the Glenbrook steel mill extensions site, came closer to settlement after marathon 36-hour negotiations over the weekend of 20-21 September. Further talks led to an agreement which was accepted by a mass meeting of union members on 29 September and the site reopened on 1 October. The combined unions gave assurances that they would honour the terms of the site agreement in future disputes.

Management at the Ford car assembly plant at Wiri, following the example of Kawerau and Glenbrook, told workers on 5 September not to return unless they gave an assurance to

abide by disputes procedures and to end all wildcat strikes. The immediate cause of this lockout of some 350 production workers was a refusal by 70 store workers to end a week-long strike over the distribution of overalls. On 16 September Ford sought a writ in the Auckland High Court for \$1.04 million damages against the Northern Drivers and Stores Unions, together with orders for a return to normal work and for a restraint on picketing. Two days later the store workers voted to end their strike and the plant reopened.

Bechtel Pacific, the contractor for the Kinleith paper mill extensions at Tokoroa, became a fourth firm to use the lockout weapon, on 17 September, against 170 scaffolders who had refused to accept a new "code of practice" designed to speed up progress. On 18 September the company locked out 30 labourers and riggers when they refused to do the scaffolders' work, and at the end of the day the company shut the site gates to some 350 other workers. The general manager of the Auckland Employers Association denied that these lockouts by major firms were orchestrated, but added, "I think you will see more though".

A permanent employees deployment agreement, struck between the State Services Commission and the CSU and released on 11 September, prescribed procedures for redundancies caused by the state sector restructuring. The agreement was to remain in force until October 1988, but its terms could be renegotiated after October 1987. The Minister of State Services, who called the deal a "safety net", promised that there would be no forced redundancies. The Employers Federation complained that the terms were over generous.

Members of the Canterbury-Westland Drivers Union voted 2 to 1 in favour of withdrawing from the Distribution Workers Federation. The 6th Asian Regional Conference of the International Metalworkers Federation met in Auckland late in September.

OCTOBER 1986

The watered-down union membership proposals in the Government's white paper had a bad reception from many Government backbenchers who had not been shown the full text before the document's release. The Minister of Labour claimed that "contestability" was not a feature of the package, but Mr Knox replied that the proposed arrangements were contestability in all but name. A meeting of the Government caucus on 2 October, which was attended by the party president Ms M Wilson, voted that the draft legislation be first referred for vetting to the caucus industrial relations subcommittee, whose 5 members are believed to be hostile to the contestability clauses. Trade union affiliates of the Labour Party, who met Mr Rodger on 3 October, reiterated their opposition to contestability, but the Prime Minister asked critics to wait until they saw the draft legislation instead of having a debate "in an absurd vacuum". The Coalition of Non-Aligned Associations and Unions, which claims to represent 70 000 workers, expressed support for the Government's union coverage proposals as "generally compatible with its views".

On 1 October the Government released a discussion paper on pay-fixing reform in the state sector. It proposed the abolition of the annual general adjustment and a decentralisation of pay-fixing through separately negotiated wage adjustments. The level of union coverage was to become a subject of negotiation, with the question of compulsory or voluntary membership subject to a secret vote by members if the parties were unable to agree. Employer-issued determinations were to be replaced by registered industrial agreements enforceable under the conditions applying in the private sector, and other private sector provisions relating to essential industries, mediation, arbitration and private grievances were also to apply in the state sector. 3 CSU officials had earlier resigned from the review committee which produced this document, in protest at what they called an attempt to dismantle the existing system and dismiss the wisdom of 3 Royal Commissions. The Minister of State Services, who invited submissions on the proposals, said he hoped to have legislation introduced in Parliament before Christmas. The CSU decided to hold protest meetings throughout the country.

Talks on the metal trades award resumed on 1 October, having been suspended for a fortnight while the central organisations negotiated on a managed wage round. Talks also opened that day on the northern stores and electrical workers awards. The electrical workers received an offer of 2 percent in reply to their 18 percent claim. The engineers lowered their 14 percent claim to 11.5 percent in reply to an employers offer of 3 percent. When the employers refused to go beyond 5 percent, which they described as the maximum if jobs were to remain

and companies were to survive, the engineers broke off the talks on 2 October. Rumours that the general drivers award was close to settlement with pay rises well below the recommended FOL figure undoubtedly influenced the negotiations on the other major awards. The Engineers Union withdrew its claim and initiated a national campaign of industrial action to put pressure on the employers. First to strike were employees of James Hardie Electrical at Penrose, who walked out on 3 October and decided to stay out until 8 October. They were soon joined by workers at other firms.

Talks on the northern stores award broke down on 3 October, when the union rejected a 5 percent offer. The store workers too decided on a campaign of action, with stopwork meetings called in Auckland on 16 October and in Hamilton on 17 October. The first settlement was signed by the United Food and Chemical Workers Union in the condom makers award, but it affected only 65 workers at the Carter-Wallace factory in New Plymouth. The settlement of the general drivers award at 6 percent, which was announced on 7 October, had quite a different impact. The drivers employers agreed to lift all existing house agreements automatically by 6 percent, while the unions signed a memorandum not to undertake second-tier bargaining. Mr Knox and other senior union leaders had tried in vain to persuade the drivers not to accept the offer, because of its likely effect on other awards. Mr Campbell, who acted as drivers advocate, and Mr Andersen, who was one of the unions assessors, reportedly supported the FOL intervention but were outvoted by the other assessors. Mr Campbell said he had wished to see a higher settlement, but "had that been achieved it could have endangered the jobs of some drivers".

The engineers and store workers went ahead with their stoppage campaign which, in its first week, involved in Auckland alone more than 4000 engineering workers at 68 sites. Engineers also took action at 25 sites in Wellington and Taranaki, and 10 in Christchurch. The Northern Store Workers Union reported action at 55 sites throughout the upper North Island.

Talks on the engine-drivers award adjourned without a further date being set, after the employers offered a 4 percent rise. The union had reduced its original 20 percent claim to 14.2 percent. Similarly talks on the northern laundry workers award adjourned after the union rejected a 5 percent offer. Dairy factory workers broke off negotiations after rejecting an offer of 1.9 percent, and talks on the clerical workers award collapsed on 9 October, when the union rejected an employers offer of a 3 percent rise, conditional on concessions on redundancy, full-time work and second-tier bargaining. The union had lowered its claim from 14 to 11.5 percent. After the collapse of negotiations it withdrew its claims and decided to join other unions in protest stoppages. Talks on the electrical workers award adjourned for a month on 10 October.

The FOL and other unions were concerned that 6 percent could become the "going rate" in award settlements, but many employers claimed that even that figure was too high. The Employers Federation did however express support for firms prepared to bypass the metal trades award by offering higher pay rises on a house basis. This was in line with the Federation's policy of flexible site-based settlements, outside national awards and reflecting ability to pay. On 15 October northern glove makers (about 120 workers) signed a 6 percent settlement, and at Mosgiel some 200 engineering workers accepted an offer of a 6 percent increase from their employer, Fisher & Paykel, despite union objections. The company undertook to adjust the increase later, if the metal trades award was settled at a higher figure. Union members at Dunedin's Autocrat-Sanyo appliance plant rejected a 6 percent offer. Engineering workers at Astec Transformers in New Plymouth and at Silver Dolphin Industries in Christchurch voted to reject a 5 percent increase offered by their employers.

Several Auckland firms reportedly offered rises of up to 8 percent to their store workers but the union rejected deals outside the award. The store workers' stopwork meeting on 16 October decided on a two-day stoppage in support of their wage claim, to be followed by a further mass stopwork on 30 October. Labourers and local body drivers in the Wellington area decided to cease work for 24 hours, clerical workers struck at a number of factories, and the engineers action tally rose to 132 stoppages in the Auckland district involving 8000 workers, 82 in Wellington with 4200 workers, and 33 in Christchurch with 1200 participants. The Auckland Trades Council decided on a campaign of stoppages involving all unions and targeted at 6 major companies.

The first breakthrough came on 22 October, when a number of house deals were revealed, some as high as 11.5 percent. The unions involved were store workers (who apparently had a

change of mind on house deals) and engineers, and they included such major companies as Mason & Porter, Fisher & Paykel, and Union Carbide, which conceded immediate 6 percent increases to be followed by a 3 percent topup from next April. Further 6 + 3 deals were signed in Auckland, but union hopes that these would be an incentive to employers to settle the award on a 6 + 3 basis foundered. "We have to take account of employers in darkest Hawke's Bay, Otago, Southland and places like those", explained the metal trades employers advocate, and the unions realised that while it was important to establish the ability of firms to pay above the 5 percent offered, by signing further separate in-house deals they would in fact undermine the national award and any chances for an improved national settlement.

Settlement of the commercial printers award on 24 October with a pay rise of 7.5 percent was seen as a second major break in the 6 percent barrier, and was bound to raise workers' expectations. The unions decided not to seek further 6 + 3 house deals but to step up pressure on the employers generally to embody 6 + 3 or similar arrangements, such as a 7.5 percent immediate increase, in national awards. The employers however continued to take a hard line. Negotiations on the graphic arts award had already collapsed on 22 October, with the union claiming 9 percent (reduced from 16 percent) and the employers offering 5 percent. No date was set for a resumption of talks. Negotiations in the grocery and supermarkets award opened on 28 October, with the union tabling a claim for a \$24 a week rise (equivalent to under 9 percent for a grade 2 checkout operator) and the employers responding with an offer of 4.5 percent. The employers later raised their offer to 6 percent, but the union claimed 7.5 percent and broke off the talks on 30 October. The taxi drivers award was settled on 28 October at 6 percent.

In the last week of October clerical workers held one-day stoppages in several centres and approved a national "sick pay day" on 17 November. A meeting of 3500 Auckland store workers voted on 30 October to strike for 24 hours, and Auckland unions decided to concentrate their pressure on the firms of Winstones, Carter Holt Harvey and Fletcher Challenge. Amid such widespread strike action negotiators in the metal trades and northern stores awards decided to meet privately to explore the chances of a settlement above 6 percent, but they could reach no formal agreement on the resumption of conciliation talks. The wage round had virtually come to a halt by the end of October, with only 2 major awards (drivers and printers) settled and more than 30 other negotiations either adjourned or collapsed. To break this deadlock the secretary of the Northern Store Workers Union, Mr M Jackson, proposed on 31 October that the FOL and Employers Federation resume talks on a nationally agreed wage settlement.

Staff at 16 Wellington Trusteebank branches stopped work on 1 October over plans to reduce opening hours. They returned on 6 October, after the bank had decided to continue late-night trading. The union sought assurances that in future employees would be given 3 months' notice of any intention to reduce hours.

The Northern Fire Brigades Union voted to restrict duties from 23 October because the Government failed to approve a union-sponsored superannuation scheme. It called off the threatened strike on 21 October, after receiving a favourable letter from the Minister of Internal Affairs, and decided to continue negotiations.

The Meat Workers Union strongly opposed the closure of the 71-year old Whakatu works near Hastings, which caused the loss of almost 2000 jobs. At the Longburn plant the owners, Waitaki Industries, cancelled all existing contracts with workers as from 20 October, and substituted a list of demands, including pay cuts, staff cuts, longer working hours, and improved productivity. A secret ballot on 13 October rejected these demands by 322 votes to 36, but the company then threatened that the plant would not reopen for the new killing season in mid-November unless agreement was reached. At the Imlay works in Wanganui, also owned by Waitaki Industries, workers accepted wage cuts and staff losses.

The Government offered the Northern Hotel and Hospital Workers Union subsidies to set up a clinic in South Auckland for union members and their families, other unions and disadvantaged community groups, such as unemployed workers. The clinic was expected to employ 4 doctors and have about 10 000 registered patients.

Negotiations on the lockout at the Kinleith paper mill extensions site brought agreement on a new set of work rules. The 27-day dispute came to an end on 13 October, when more than 500 workers voted to accept a return-to-work proposal put to them by union officials.

The new Tasman mill disputes committee held its first meeting on 2 October. Its first decision was to confirm the appointment of a woman worker, Ms Wai Gage, which had been

the immediate cause of the long dispute. The committee next considered proposed staff reductions. The company had planned to cancel 91 pulp and paper workers positions, but only 72 were put up for immediate consideration. The disputes committee cut this further by approving only 55 redundancies. The company confirmed that it wished to eliminate 500 positions altogether over the next 3 years: 130 pulp and paper workers, 170 workers in other unions, and 200 salaried workers.

The Post Office Union launched a major campaign on 15 October against the splitting up of the Post Office into 3 corporations and the closure of smaller offices. It distributed "Save the Post Office" kits to all its branches.

The Wellington High Court on 8 October rejected an application by Paremoremo maximum security prison officers to have a pay settlement accepted by the PSA declared invalid. Such an order, said the judge, was outside the jurisdiction of the court; the plaintiffs' remedy was more likely to be in the next election of PSA officers. The Paremoremo staff held a stopwork meeting on 9 October and voted to work to rule and to seek urgent meetings with cabinet ministers.

Traffic officers gained increases of between 6 and 9 percent in a decision of the Government Services Tribunal, on top of the 20.1 percent annual general adjustment. Replying to the claim for pay parity with police, the tribunal conceded that no occupation was more closely comparable to that of traffic officer than the police. The increases are effective from 10 November last.

The 5th Asian and Pacific conference of public employees' unions opened in Wellington on 28 October. Organised by three international federations of public servants, postal workers and teachers, it was attended by delegates from 15 countries.

The Railway Tradesmen's Association changed its name to Railway Trades Association at its biennial conference, to reflect the entry of women into its ranks.

Herbert Roth