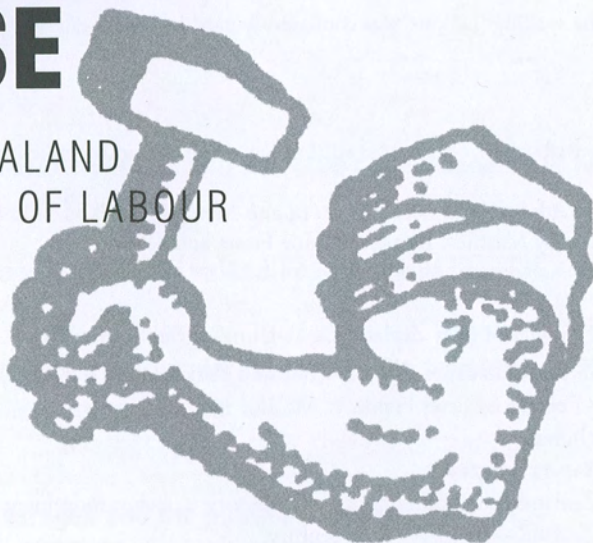


UNIONS IN COMMON CAUSE

THE NEW ZEALAND
FEDERATION OF LABOUR
1937-88



edited by Peter Franks & Melanie Nolan



STEELE ROBERTS AOTEAROA

This book is published thanks to the generous financial support from the NZ Work & Labour Market Institute at Auckland University of Technology, the Labour History Project, the NZ Council of Trade Unions, the NZ Amalgamated Engineering Printing & Manufacturing Union, the NZ Dairy Workers Union Te Runanga Wai U, the Maritime Union of NZ, the NZ Meat Workers & Related Trades Union, the National Distribution Union, the Rail & Maritime Transport Union and the Service & Food Workers Union Nga Ringa Tota.

In this book we use the Australian term 'peak' organisation or council to describe umbrella union bodies like the FOL or trades councils. The early federations of unions often used the American spelling — Labor — in their titles, e.g. the 'Red' Federation of Labor. After World War I, the spelling 'Labour' was consistently used in New Zealand.

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STEELE ROBERTS AOTEAROA

Box 9321 Wellington, Aotearoa New Zealand

info@steeleroberts.co.nz • www.steeleroberts.co.nz



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PREVIOUS SPREAD On 9 October 1938, the Sunday before the general election that year, the Federation of Labour and the Labour Party held a rally in the Auckland Domain, attended by 80,000 people. The rally was preceded by a march by 27,000 trade union members from the waterfront and through the main streets of Auckland to the Domain. The Auckland correspondent of the Printers Union journal *Imprint* described the huge turnout as 'a thrill and also a wonderful sight to see more than 100 big banners assembled in line in front of the big crowd.' The banners included ones denouncing the former conservative government's 'slave camps' and praising Labour's achievements. A number of unions displayed their banners, as did women's organisations and trades councils in the Auckland region. Labour won a decisive victory with 53 of the 80 seats in parliament and nearly 56 percent of votes.

Acknowledgements

This book stands on broad shoulders, which is appropriate, given its subject. This collection arose out of a conference held at Parliament Buildings in November 2007 to mark the 70th anniversary of the formation of the New Zealand Federation of Labour (FOL). We are indebted to the Hon Margaret Wilson, then Speaker of the House of Representatives, who hosted the conference in the splendid Legislative Council Chamber at parliament, and who has provided us more recently with a foreword.

The conference was the result of a collaboration between the Trade Union History Project (TUHP) and the Council of Trade Unions (CTU). The TUHP organising sub-committee — Peter Franks, Dave Grant, Richard Hill, Dave Morgan and Melanie Nolan — consulted the CTU widely in the planning process and the two groups were joint conference organisers. This is evident in the range of presenters: labour historians Erik Olssen, Peter Franks, Melanie Nolan and Ray Markey; union activists and veterans, Ken Douglas, Mike Sweeney, Syd Keepa, Martha Coleman and Dave Morgan; and the president, Helen Kelly, and secretary, Carol Beaumont, of the CTU. Thanks to Alex Burton, the proceedings were videotaped and the masters are held at the New Zealand Film Archive, Wellington. A conspicuous proportion of the nearly 100 people who attended on the day were trade unionists; the majority attending were active unionists, including a good number of 'young ones' keen to find out about the history of the labour movement.

The collaboration between the TUHP and the CTU is historical, in content and over time. The TUHP was formed in 1987 in response to concerns about the preservation of FOL records when the decision was made in mid-1987 to form the CTU. The Minister of Internal Affairs, Dr Michael Bassett, agreed to sponsor some TUHP activities through the Historical Branch, Department of Internal Affairs. The president of the CTU, Ken Douglas, determined that the most urgent preservation priority was the arrangement, description and transfer of the FOL archives to the Alexander Turnbull Library. The TUHP devoted some of its grant monies to employ a professional archivist to do this work. The FOL archives were deposited with the Alexander Turnbull Library on 10 August 1988 and the TUHP was responsible, in association with the Dunmore Press, for the

publication of Cathy Marr's *A Guide to the Archives of the New Zealand Federation of Labour 1937-88* soon afterwards. Having contributed to the preservation of the FOL records, it was appropriate that the last TUHP annual conference, before its name change to the Labour History Project (LHP), was a seminar in association with the CTU upon the 70th anniversary of the formation of the FOL.

The collaboration between the LHP and CTU has flowed on to working together on this collection, which appears despite economic uncertainty, changing employment roles of those involved and the many demands on their time. A number of organisations provided publication subsidies: the New Zealand Work & Labour Market Institute in the Faculty of Business at Auckland University of Technology, the LHP, the CTU, the NZ Amalgamated Engineering Printing & Manufacturing Union, the NZ Dairy Workers Union Te Runanga Wai U, the Maritime Union of NZ, the NZ Meat Workers & Related Trades Union, the National Distribution Union, the Rail & Maritime Transport Union and the Service & Food Workers Union Nga Ringa Tota. We are grateful to Ray Markey, Mark Derby, Peter Conway and Paul Tolich for facilitating the financial support.

Several people have helped us prepare the manuscript. We thank Erik Olssen and Ray Markey for revising their conference presentations. Hannah Flannery transcribed the panel discussion, and the CTU has made available its rich photographic archives. Librarians at the Alexander Turnbull Library, the National Library of New Zealand and Archives New Zealand have helped us find other illustrations. We are grateful to Peter Bromhead, Claire Colvin, Debby Edwards, Gerard Hill, Dion and Stephen Minhinnick, Tom Scott and the *New Zealand Herald* for permission to reproduce cartoons for which they hold copyright. The list of FOL officers and executive members is much the better for the help we were given by David Verran, Ken Douglas and Ray Bianchi. Ben Fraser of the Australian National University prepared the graphs for Chapter 1. We thank Brian Easton, Jim McAloon and David Verran for reading the text and making helpful comments.

We owe special debts to two people who have been staunch supporters of labour history in New Zealand. Firstly, Professor Pat Walsh's PhD thesis on industrial relations in the post-war period up to the late 1970s was an essential foundation for much of this book in terms of both research and interpretation. Secondly, in discussions with Peter Franks over a number of years, the late Ted Thompson generously shared his insights into the history of the movement and helped shape the thinking that has gone into this book.

We appreciate very much all the help and support that has made this book possible.

Peter Franks and Melanie Nolan



CHAPTER ONE

Rescuing the Federations of Labour from the condescension of history

Peter Franks & Melanie Nolan

This history of the New Zealand Federation of Labour (FOL), 1937–88, is the first systematic examination of the FOL since Bert Roth surveyed it in 1973.¹ In this introduction we provide a critical overview of the few other attempts to write the FOL's history, questioning their concentration upon the leadership's ideology and arbitration stances. A certain periodicity suggests itself if the focus is on the FOL's leadership, with 1963–68 being regarded as a turning point between autocratic and democratic trade union leadership and the breakdown of arbitration. Most of the accounts of the FOL have not put it into the context of wider social developments. In particular we address the view of some historians that the FOL, for substantial parts of its history, was not progressive and it did not represent workers well.

Institutional histories, even revisionist ones, are unfashionable among historians. Our second task is to map out new questions that can now be asked of the FOL's role in New Zealand history when wider social developments are considered. While this collection does not pretend to be a comprehensive history of the FOL, it sets out to generate interest in the history of the peak New Zealand trade union federation by asking questions about its relationship to fundamental social issues such as systematic redistribution, representation and changing political culture in the 20th century.

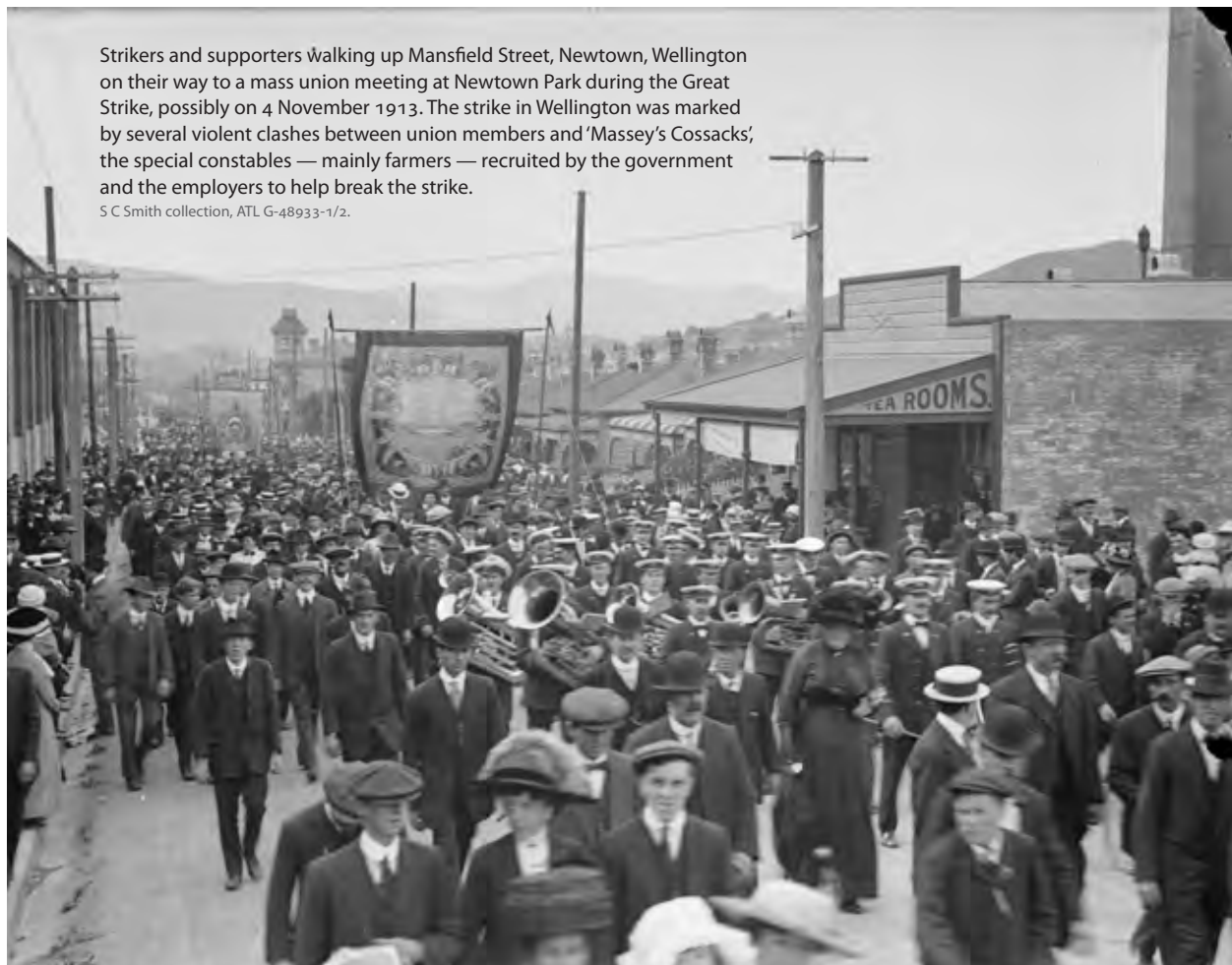
LEFT Trade union march to parliament, 1 July 1980. This demonstration — one of many around New Zealand — was part of the FOL's Defence of Living Standards campaign and was in protest at the National government's policies. Those leading the march are (from left): Fran Wilde, Labour candidate for Wellington Central; Peter Neilson, Labour candidate for Miramar; David Thorp, president of the Public Service Association; Pat Kelly, president of the Wellington Trades Council; Ashley Russ, FOL national executive member and Frank O'Flynn, Labour MP for Island Bay.

Dominion Post collection, ATL EP/1980/2086/10

Grounds for a biography of the FOL

The New Zealand Federation of Labour was the second organisation with that name. The Federation of Miners, formed in 1908, was the mainstay of the first New Zealand Federation of Labor established in 1909, whose members were commonly known as 'Red Feds'. The Red Feds were committed to revolutionary industrial unionism and their organisation attracted at its height perhaps a fifth of New Zealand trade unionists in the tumultuous years leading up to the 1913 Great Strike.² A number of leaders of the first federation exerted strong pressure in 1937 for the formation of the second federation. Given that they share the same name, the Red Feds are an important precursor to the FOL's story.³ It is appropriate that the first substantive paper in this collection by Erik Olssen (Chapter 2) considers the Red Federation of Labour 1908–14 and its legacy.

While Olssen concentrates upon the Red Fed tradition of federation, we need to acknowledge that there was another tradition that also aspired to lead the trade union movement in federation. Indeed the federal union ideal was so widespread



in New Zealand that from 1908 there were effectively two federations of labour for two periods: between 1910–12 and 1924–37. The New Zealand Trades and Labour Council's Federation of Labour (1910–12) constantly opposed the Red Feds. It invited the American socialist Walter Thomas Mills to New Zealand to contest the message of radical socialist speakers the Red Feds engaged; and it adopted the *Weekly Herald* as a rival to the Red Fed's *Maoriland Worker* as the New Zealand labour paper.⁴ The Trades and Labour Council's Federation of Labour merged into the United Labour Party on 11 April 1912. Many regarded another peak organisation, the Alliance of Labour (1919–37), as the descendant of the Red Feds.⁵ However, there were other federation progeny. The Wellington Trades and Labour Council led the move to revive the 'Old Trades and Labour Councils Federation' in 1923, succeeding in Easter 1924.⁶ The story of federation between 1924 and 1937 is one of periodic and unsuccessful attempts to unite the Trades and Labour Council's Federation (1924–37) and the Alliance of Labour. The New Zealand Trades and Labour Council's Federation of Labour was less fiery and more quietly and consistently a failure than the Alliance of Labour, but it kept alive an earlier, non-radical federal ambition.⁷ Peter Franks in Chapter 3 considers how a single New Zealand federation of labour was finally formed in 1937.

A comparison between the two federations of labour, the Red Feds and the FOL raises a key question: why has there been so little written about the latter? Despite the FOL's longevity and stability, over fifty rather than the Red Feds' five years, and its commanding most of New Zealand's private sector trade unionists rather than a minority, there has been little historical writing on this peak organisation that straddled industrial relations for half the 20th century. The numerically weaker and more disunited, but militant, Red Feds have proved to be more attractive to historians.⁸ There is no overview of the FOL, as there has been of the Australian Council of Trade Unions (ACTU) formed in 1927.⁹ There has been no socio-political account of the FOL to match Olssen's account of the Red Feds.¹⁰ Partly this results from relatively little work on labourism (which took as its guiding principle the immediate concerns of the workers) as opposed to socialism (which took as its guiding principle the need 'to abolish capitalism and its class divisions').¹¹ Jim Hagan in his history of the ACTU stresses the importance and dominance of labourism in conflict with the revolutionary tradition. It is not so much that historians have ignored labourism; indeed accounts of New Zealand unions and unionists are riddled with discussion of the ideological and theoretical divisions between moderates and militants. Rather, it is that trade unionists who sought immediate gains have been put down as conservative and uninteresting.

The relative paucity of accounts of the FOL is disconcerting, given that the records are sufficiently rich to sustain any number of histories. Cathy Marr compiled an index of over 33 linear metres of FOL records held at Alexander Turnbull Library in 1988.¹² There are annual reports, conference reports, executive minutes and verbatim transcripts of some meetings. The labour newspapers, *Standard* and *Southern Cross*, were editorially single-minded in support of the FOL; Fintan Patrick Walsh, the president of the FOL from 1952 to 1963, was a director on the board of the New Zealand Worker Printing & Publishing Company Ltd.¹³ Some version of the *New Zealand Federation of Labour Bulletin* appeared regularly for most of the period.¹⁴ In addition to the FOL papers there are also private papers of FP Walsh, Tom Skinner, Tony Neary, Peter Butler, Johnny Mitchell and other prominent unionists.¹⁵

Of course there have been some accounts of a number of aspects of FOL history. Most interpretations of the FOL have appeared under the rubric of industrial relations, especially its role in the 1951 waterfront lockout and the industrial turbulence after 1968.¹⁶ There have been a number of biographies of, and memoirs by, key personalities.¹⁷ All the major leaders have entries in the *Dictionary of New Zealand Biography*.¹⁸ In the absence of a scholarly overview, popular accounts emphasise a two-part history. The three consummate examples of this popular left-wing history which reify socialist solidarity are Dr WB Sutch's *Quest for Security and Poverty and Progress* (1966) and Chris Trotter's *No Left Turn* (2007).¹⁹ They emphasise the role male urban trade unionists played up to the 1960s and the concern with 'bread and butter' issues. In the post-war period the FOL was ideologically conservative, having moved from attempting to institute socialism to supporting the consolidation of the post-war planning and reforming achievements. It became, in Sutch's words, a 'partner of the state'.²⁰ The leadership of the trade union movement was influenced by Cold War politics. Groups of the braver, more radical 'old federation' could and did meet in reunion after the formation of the 'lesser' FOL.²¹ As Ray Markey shows in Chapter 5, the social, economic and political context changed and with it expectations of what peak unions do. There were kinds of peak organisations and they changed over time.

Leaders and times change, but the balance of historical concern has been on the former. Trotter describes the FOL by the 1980s as 'decentralised and raucously democratic'. Labour's 1930s reforms, Peter Fraser's mid-century education reforms and the full-employment post-war economy mandated by Keynesian economics meant that a 'much less regimented and increasingly adventurous working-class ... began to fill the nation's freezing works and factories.'²² Between 1966 and 1986 this more aggressive generation racked up the greatest amount of working time lost

to strikes in New Zealand's history.²³ Leaders of the trade union movement were now 'working-class warriors'. However, the 'fiercely independent' and 'democratic' network of trades council unionists in the FOL was merged in 1987 with the Combined State Unions to form the 'oligarchic' Council of Trade Unions (CTU). Trotter accuses the former president of the Public Service Association (PSA), Stan Rodger (the Minister of Labour at the time), middle-class university graduates in the Department of Labour and New Rightists of engineering the demise of a great institution. Under the guise of 'professionalisation', New Zealand's unions, particularly the FOL, were significantly enlarged and restructured along the lines of the new managerialism.²⁴

Of course Sutch and Trotter have broader theses, but their top-down histories undermine human agency. In these stories things are done to workers' institutions. Longer and earlier fundamental divisions between workers are sidelined. The organised working class was essentially monolithic, passive and reactive. Melanie Nolan (Chapter 4) and Ray Markey (Chapter 5) both question this view in their chapters. Markey argues that part of the problem is that a critical contributor to the FOL's mobilisation campaigns and general agency were its district councils,



This Bromhead cartoon — published in the *Auckland Star* 9 June 1976 — illustrates the FOL's reluctance to rock the boat too much, particularly during the years when Tom Skinner was president. Skinner is the waiter and National Prime Minister Robert Muldoon the cook.

New Zealand Cartoon Archive collection, ATL A-347-o14. Reproduced with the permission of Peter Bromhead

colloquially known as trades councils, and even less attention has been given to these than to the FOL.²⁵

Roth came closest to writing a history of the FOL that does not treat the FOL members as a mere plaything of its leaders or the government. His 1973 account of New Zealand trade unions was a textbook published by the education wing of Reed books.²⁶ Roth's approach was to consider four aspects of FOL history: industrial, economic, social, and international, thus rendering a relatively sophisticated analysis of not just the 'bread and butter' concerns and the internal development of an organisation but also its internationalism. Roth asked particular questions about his material. He was concerned with membership of the FOL, its constitution and structure, its contribution to politics, internal and national power and strength, and changes over time. However, Roth's account ended in 1973 and, in some ways, his narrative supports the popular account with the idea that an FOL era ended in the 1960s: 'With the death of [Fintan Patrick] Walsh [in 1963],²⁷ the expulsion of [Peter] Butler [and the Labourers Union in 1962]²⁸ and the retirement of [Ken] Baxter [in 1969],²⁹ the classic period in the history of the New Zealand trade unions drew to a close.'³⁰ Noel Woods too characterised the period 1938–61 as a significant era.³¹

Pat Walsh's work on industrial relations points to more continuity in a broader relational model of the state, employers and unions from the 1950s to the 1970s.³² He shows the extent to which all industrial developments over this time were contested. Some unionists were, for instance, parties to the dismantling of the arbitration system after 1968 and his argument could be extended to suggest that they were at the making of the CTU in 1988. None of the important developments involved unanimity within the trade union movement.

To some extent these different interpretations of the FOL history are generational, but Trotter and Roth overlapped and theirs is also an ideological disagreement. The history of the FOL is rendered one way by democratic socialist historians interested in class relations and another way by industrial relations advocates interested in the changing relationships between workers, trade unions, employers and the state.³³ Indeed to return to the question about why there has been so little written on the FOL, many New Zealand historians have been less concerned about the mainstream rank and file and its industrial quiescence than they have about the role of militants, division and challenges to the New Zealand arbitration system because it suited their political positions. This book is an attempt at a broader overview of the FOL, temporally and in terms of political positions, than has been attempted previously. In addition to examining militancy, it also takes into account the views of those who believed that the highest standard of

living for average middle New Zealand families necessitated rising productivity, and economic and social order. Attitudinal studies indicate that those views were pervasive from the 1930s to the 1990s. But first let us consider the two-phase periodisation in the relatively small amount of historical writing on the FOL in more detail: the post-war ascendancy of the 'undemocratic' right-wing in the FOL, followed by the 'democratic' left-wing ascendancy.

Shape of the biography: two-part arbitration story of the FOL

The two-phase account of FOL history is based on an assessment of the FOL's commitment to the arbitration system and the level of strikes over time. The FOL's commitment to compulsory arbitration is held to be the condition of partnership with the Labour government after 1935.³⁴ The Labour government moved to make good its election promises to improve wage levels, working conditions and living standards. Labour's industrial legislative programme bolstered union numbers, reshaped industrial organisation, re-instituted minimum wage rates and increased the unions' financial strength. In the process the political partnership committed the FOL to industrial advocacy and negotiation rather than militancy. The FOL moved towards militancy when commitment to arbitration waned. The FOL, however, had its own agenda too which, we would argue, has been neglected in the standard history of the FOL in terms of arbitration.

Part one: Classic Cold War system

The Industrial Conciliation and Arbitration (IC&A) Act was designed in 1894 to 'encourage the Formation of Industrial Unions and Associations and to facilitate the Settlement of Industrial Disputes by Conciliation and Arbitration.'³⁵ The IC&A Act 1936 restored compulsory arbitration, which had been largely removed in 1932, and also made union membership compulsory for workers in any industry covered by an arbitration award.³⁶ A further amendment in 1937, the 'blanket clause,' made awards binding on all industrial unions, employers or associations engaged in or connected to an industry whether they had participated in award negotiations or not.³⁷ Union membership trebled between 1935 and 1938, from 81,000 to 249,000 and then more slowly. There were 272,843 members a decade later.³⁸ A whole range of new groups were brought under the arbitration system for the first time. Compulsory unionism resulted in change mostly for white-collar, semi-professional and factory workers — i.e. clerks and office workers,

public accountants employees, architectural assistants, engineers' draughtsmen, wireless operators, dental and optical assistants, Harbour Board officials and stevedores and foremen ... hospital employees, ice cream workers, oyster canning



The National Party was elected in 1960 on a policy of abolishing compulsory union membership. Walsh and the FOL threatened to withdraw support for the arbitration system and to mount a campaign of industrial action. The brinkmanship between Walsh and National Prime Minister Keith Holyoake (pictured on the precipice while Labour leader Walter Nash goes fishing) ended with a compromise that enabled unions and employers to negotiate an unqualified preference clause into awards and agreements, requiring all the workers who were covered to join the union. This meant that compulsory unionism was changed in form but not in substance.

Gordon Minninnick, *New Zealand Herald*, 9 May 1961. New Zealand Cartoon Archive collection, ATL E-549-q-13-180. Reproduced with the permission of the New Zealand Herald

workers, paint and varnish workers, rubber workers, laundry employees, glove workers, fruit preserving and vegetable canning workers, tobacco workers, wire goods workers, sports goods employees, warehousemen and a number of shop assistants.³⁹

The trade union movement had never been so diverse and it was only going to become more so from this point.

The 1936 Act also provided for the formation of national unions for the first time. Previously a union could only cover one of the eight industrial districts into which New Zealand was divided, although these individual unions often joined together in a national federation. From 1936 there was a growth in unions and awards but a small number of large national unions with 'growing numerical strength' were reinforced.⁴⁰ While the number of unions peaked in 1951, only 25

of the 412 unions in 1953 had more than 1000 members. Over three-quarters of union members belonged to a small number of large unions.⁴¹ The strongest and most militant of unions were relatively unaffected by compulsory unionism and the strengthening of the arbitration system, but of course numbers were significant.

Unions initiated participation in the arbitration system by registering under the IC&A Act with the Registrar of Industrial Unions (a Department of Labour official). This guaranteed 'exclusive jurisdiction' in an industry but at the cost of restricting union activities, such as their freedom to strike, and gave the registrar a veto over union rules.⁴² Membership fees were limited and unions (until 1964) could not provide welfare, training or educational services.⁴³ The IC&A Act of 1894 constrained unions to work only on 'industrial matters', interpreted very narrowly by the courts as applying to wages, hours and conditions of work.⁴⁴ The Political Disabilities Removal Act 1936 increased the rights of unionists and public servants, in particular allowing trade unions to make grants by a majority vote to a political party, even if their rules did not provide for this. In the 1920s unionists made up 90 percent of the Labour Party's membership. After 1936 the 'majority of party members continued to be unionists but there were many more of them and the greater proportion of party finances were derived from union affiliation fees, political levies and donations', in particular from the largest and strongest half dozen unions.⁴⁵ The FOL's annual conference traditionally and significantly met the week before the annual conference of the New Zealand Labour Party.⁴⁶

The FOL increasingly became the representative of workers both in the arbitration system and with the government. Awards were settled by conciliation and arbitration.⁴⁷ After World War II, unions and employers settled down to a system of uniform national wage rates for each occupation, linked by relativities, and affected by more general uniform increases. Under its periodic Standard Wage Pronouncements from 1919 until 1952 the Arbitration Court had indicated wage levels it considered appropriate for skilled, semi-skilled and unskilled workers. So ingrained were these occupational relativities that when, for instance, the court awarded an extra five shillings a week for tradesmen under the Engineers Union's Metal Trades Award in 1950, the printers and a number of other employers of tradesmen immediately followed suit and granted the increase without requiring unions to argue a case before the court.⁴⁸ General wage orders (GWOs), which increased all award wages, grew out of cost of living orders. After World War I employers had partly conceded the principle that wages should be indexed to the cost of living. The War Legislation and Statute Law Amendment Act of 1918



The New Zealand Waterside Workers Union was the leader in the post-World War II upsurge of militancy in the trade union movement. Toby Hill, pictured carrying the clock, was elected the union's national secretary in 1942 when he was 27 years old. He held the position until 1952. Hill and the Jock Barnes, the watersiders' national president, were vilified by the press, Labour and National politicians, employers and the FOL leadership for the union's industrial action. They were also falsely accused of being communists.

Unpublished Neville Colvin cartoon prepared for the *Evening Post*, New Zealand Cartoon Archive collection, ATL J-065-055. Reproduced with the permission of Claire Colvin

provided for the general adjustment of wages during the currency of awards in line with movements in the cost of living. A group of unionists unsuccessfully sought 'stabilisation' in the depression that occurred in the wake of the lifting in 1921 of the war commandeering (where Britain bought New Zealand's primary products at guaranteed prices) and the deterioration of the economy.⁴⁹ The state, led by ex-trade union leaders, was more successful in achieving this long-term aim during World War II. The growing power of the FOL's national executive was forged in the 1940s. During the war Peter Fraser, the Labour prime minister, was seen to rely for support on the party machine and F.P. Walsh's leadership of the unions. Walsh was a critical member of the government's Economic Stabilisation Commission, which kept inflation and unions in check. The FOL

New Zealand

Federation of Labour Bulletin

P.O. Box 161, Te Aro, Wellington, C.Z. 25, Trades Hall, Wellington.

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A Little Matter of Procedure

SOME delegates walked out of the 13th Annual Conference and set up a break-away organisation in opposition to the Federation of Labour. This breakaway "Federation," called the Trades Union Congress, issued, per medium of the Waterside Workers' Union, a publication urging all unions to join their organisation. This publication, which accused the National Executive of never lining up with the workers in any struggle or dispute, was distributed per medium of unions, branches of unions, and component parts of affiliated Federations.

The Federation of Labour has issued one or two circulars and a "Bulletin" since the cleavage within our ranks. We naturally wished our point of view to be placed before as many workers as possible. Therefore, we printed extra copies of our publication and sent them as far afield as possible—to the branches of affiliated unions so far as we were advised of their addresses. One or two unions have since asked us to continue sending the material direct to their branches, because the National Officers are sometimes too busy to immediately attend to this distribution. One or two of the delegates who walked out of Conference have, apparently on behalf of their unions, protested against us circularising the branches of their unions, saying that it is "wrong procedure."

Your National Executive admit that, in normal circumstances, branches would not be circularised without the consent of the Head Office of the union concerned. But are we going to sit quietly by while the "Trades Union Congress" injects its poison into the arteries and veins of our loyal affiliations perhaps without the knowledge of the elected officers of those affiliations?

A few months ago we found several copies of our "Bulletin," obviously unread, thrown into a wastepaper tin in the Wellington Trades Hall—that is why we circularised

affiliations saying that their allocation of "Bulletins" would be reduced unless we were advised to the contrary, because we were not going to waste the workers' money on printing material that was not going to be distributed amongst those workers for whom it was being prepared. Therefore we want to take all possible steps to see that our side of the story reaches the workers who are concerned—and ALL workers are concerned, because attempts to smash and de-centralise the effective trade union movement and its organisations cannot but adversely affect all workers in the long run.

We want to make clear our position: so long as a "cold war" aiming at placing power in the hands of the irresponsible minority within the trade union movement is being directed against the recognised Federation of workers in New Zealand, so will we use all the means at our disposal and within our powers to place our point of view before the rank and file of the unions. We have nothing to be afraid of, nothing to hide. To the extent that we have speakers available, they will address meetings upon request. To the extent that we have the opportunity to issue circulars and other material, that will be placed before as many workers as possible. This, of course, always depends on a majority of the National Executive agreeing to this procedure. We can give an assurance that our approach will always be objective, our language will always be moderate, and we will not deviate from the facts.

Fundamentally, of course, it is rather amusing that people who walked out of a Conference because they did not agree with a decision, and who set up a breakaway organisation, should be complaining about "procedure." Previously, the complaint of these people was that we always insisted upon the proper procedure when matters of importance were raised.

The watersiders led a walk-out from the 1950 FOL annual conference. This was followed by the formation of the New Zealand Trade Union Congress as a rival national federation to the FOL. It was an ill-fated move which made it easier for F.P. Walsh and other FOL leaders to isolate the rebels from the majority of unions. The FOL was quick to hit back with this front page article in the *FOL Bulletin*.

FOL collection, ATL MSX-2496-2

conferred regularly with the Labour Cabinet and FOL president Angus McLagan was appointed to the Legislative Council and the Cabinet in 1942 as Minister of Industrial Manpower.⁵⁰

The 'perfect' partnership between the state and the FOL was shorter than is usually suggested and arbitration was the cause of discontent. In particular the war was the turning point in the growing importance of general wage orders. There were two GWOS before 1940, but six between 1950 and 1960 and five between 1960 and 1970. The FOL and the majority of unions supported the introduction of economic stabilisation policies during the war, which accelerated the bureaucratic tendencies in New Zealand unionism. Increasingly, the FOL conducted the workers' case on behalf of the whole of the trade union movement in all hearings before the Arbitration Court to do with standard wages or cost of living bonuses. The FOL operated on a shoestring; its research office was in abeyance from 1950 to 1958 but it was still responsible for preparing submissions to the court which had flow-on consequences for all workers.⁵¹ The predominance of the court and the consolidation of relativity considerations as the key criteria in wages settlements 'gave the wage determination process an ordered and predictable character'. Most unions were concerned to

observe the correct procedures of conciliation and arbitration; to lodge claims at the appropriate time and in the proper manner; to be informed on the pattern of settlements in other disputes in order that their own relativity-based claims might be effectively advanced; to polish their court-room strategy in the event of a court hearing; to monitor, where resources permitted, the compliance with the award by employers and to initiate corrective procedures if necessary; and always be alert for the possibility of demarcation breaches by members of any of the other 350 or so unions in New Zealand.⁵²

It was a conservative system but one that ensured that gains made by stronger groups of workers were passed on to others and provided a comprehensive labour code for low-paid workers. It was an adversarial system in which the interests of the FOL were not always the same as the Labour Party in power.

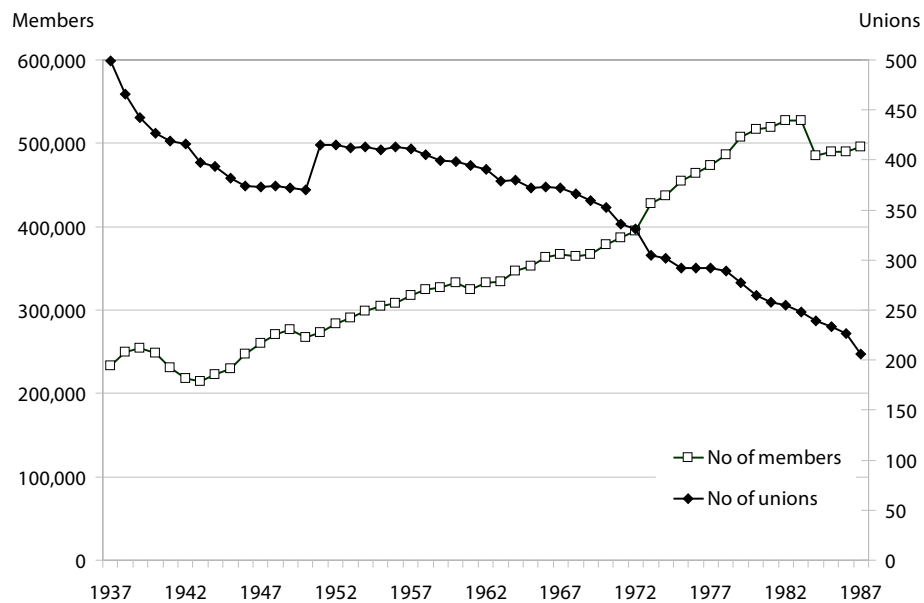
The FOL, for its part, first called on the government to increase wages and benefits in line with the cost of living from the end of stabilisation, effectively in 1950.⁵³ Consumerism had been controlled during the war by monetary controls and rationing, but after the war these restrictions were not immediately lifted.⁵⁴ When they were removed on 8 May 1950, the resulting price increases, continuing shortages and bad quality goods caused widespread discontent, although the wartime subsidies on butter, eggs, milk, bread, flour and other staples continued. The removal of the subsidy on coal coincided with rising wharf

surcharges and resulted in the Auckland Gas Company doubling the price of gas to its consumers in 1950.⁵⁵ Protests, particularly from women's groups, led the government to subsidise gas companies.⁵⁶ The FOL had concentrated its energies on the general wage order hearings. At these pivotal hearings, pursuant to the Economic Stabilisation Act 1948 and Economic Stabilisation Regulations 1953, the court sought to 'promote economic stability' by taking into consideration a range of issues from the 'relative movement' in the incomes of different sectors of the community, to economic conditions affecting finance, trade and industry.

The FOL was centralised and increasingly powerful under the post-war arbitration system. Union density (the proportion of workers who are union members) is usually measured in terms of the percentage of workers in unions registered under the IC&A Act. This indicates that a majority of trade unionists were members of the FOL: 70.2 percent in 1937 rising to over 80 percent by 1987. The government recognised the FOL as representing the views of the trade union movement on social and welfare policy as well as industrial relations.

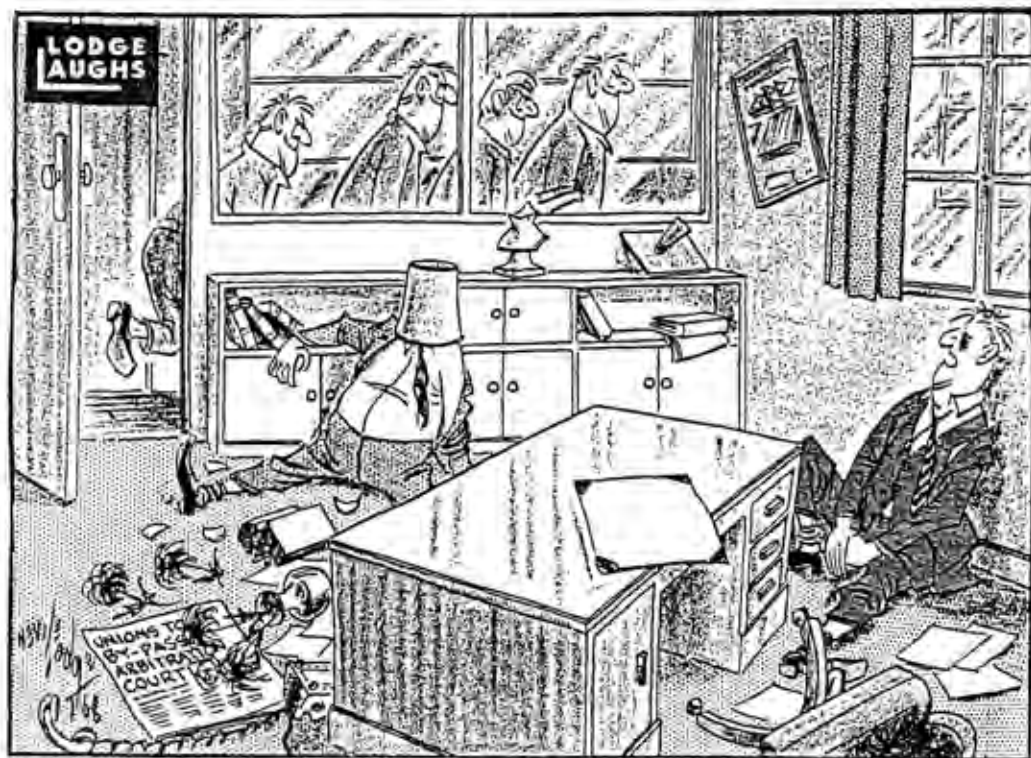
A small group of officials and a small group of unions had an increasing influence. The FOL's annual conference of delegates representing affiliated unions determined policy. The cap on the number of delegates that large unions (for instance those with 30,000 members) could send to annual conference was limited

Graph 1: Number of trade unions and union members affiliated to the FOL, 1937–87.



The 1968 nil wage order

In June 1968 the Arbitration Court rejected a claim by the FOL for a general wage increase. The Court's 'nil wage order' and its aftermath shocked trade unionists, alarmed employers and frightened politicians. There were strong calls for action by unions and an angry mass demonstration at the opening of parliament. FOL president Tom Skinner tried to defuse the demands for industrial action by proposing a second application to the court. On the eve of a special FOL conference in July he was outvoted on the FOL executive and the conference voted unanimously that unions use 'all available channels' to get a wage rise. Despite the conference decision, Skinner continued to work for a second application. The National government rejected joint proposals by the FOL, the New Zealand Employers Federation (NZE) and the Minister of Labour, Tom Shand, to change the criteria for general wage order applications. Skinner next approached a number of large employers directly and persuaded them to support a five percent general wage increase. Having secured employer support, the FOL and the NZEF agreed to apply jointly for another wage order on the understanding that unions would be urged to scale down industrial action. The Arbitration Court granted a five percent general wage order, with the union and employer representatives on the court outvoting the judge. Robert Muldoon, the Minister of Finance, denounced the joint application as 'an unholy alliance'.



Neville Lodge, Evening Post, 1968. Reproduced with the permission of Debby Edwards.

"I must say I prefer wage increases to be negotiated through the Arbitration Court rather than direct with the employer!"



Reproduced with the permission of Debby Edwards.
Neville Lodge, *Evening Post*, 1968.

On 16 July 1968 — a month after the nil wage order — the FOL and the NZEF met and agreed on a new general wage order application to the Arbitration Court. The FOL agreed to ask unions to scale down their industrial action before the application was decided. The FOL leaders are (from left) Tom Skinner, Ken Baxter, Jim Napier, Jim Knox, Len Hadley and Frank Thorn. The NZEF leaders, on the other side of the table, are (from right) Peter Luxford, Frederick Baird, Vivian Blakeley, Royce Baigent, Cyril Read, Eric Salmon and Colin Clayton. Dominion Post collection, ATL EP/1968/297/4/2



to 10 in 1943, raised to 20 in 1966 and to 32 in 1971.⁵⁷ The number of unions registered under the industrial legislation dropped from 499 in 1937 with 232,986 members to 206 unions with 496,063 members in 1987. Between conference meetings, the national council — consisting of the members of the national executive and one representative of each of the local trades council — dealt with policy, meeting about once a quarter. But the real power increasingly rested with the national executive which implemented policy; it consisted of the president, vice-president, secretary and two members elected directly by the conference who were required to reside in Wellington. It met regularly, usually fortnightly. The size of the executive was increased from five to seven in 1945. It was further increased to nine in the early 1970s and to eleven in the early 1980s. In 1963 a new rule added a condition of membership that affiliated unions must 'accept and abide by the majority decisions of the Annual Conference and other duly constituted bodies' of the FOL and not 'publicly flout or work unconstitutionally to defeat such majority decisions'.⁵⁸ The point is that the conference met annually while the national executive met constantly. The national executive had increasing financial power at the same time as the membership rose. The capitation fee unions paid the FOL had been 6d in 1937, with trades councils being refunded half; by 1971 the capitation fee was 30 cents, of which the trades councils were refunded just five cents.

Industrial disputes were the barometer of industrial relations and the spotlight has been placed on 1951 as the moment of disunion in the union movement. This was one of the longest and costliest industrial disputes. The 1951 waterfront lockout was accompanied by strikes of seamen, miners, hydro workers, freezing workers, drivers and others involving 22,000, mostly male, workers and their families in a population of two million. The waterfront dispute lasted 151 days with estimates of economic loss varying between a low of £42 million, according to the Government Statistician, and a high of £100 million, according to left-wing accounts.⁵⁹ It was also the most bitter of disputes. Upon declaring a State of Emergency the government introduced the Waterfront Strike Emergency Regulations, which made it an offence for anyone to be 'a party to a declared strike' and gave police large powers of pursuit and arrest.

Much has been written on the FOL's role in 1951. The FOL, representing about 70 percent of unions, did not support the locked-out watersiders in 1951 and hardly a word has been published defending that position, although the FOL national executive did write a justification of its position at the time.⁶⁰ Similarly there has been little written about the Labour Party opposition in parliament, which did try to rally against the emergency regulations.⁶¹ The militants were

isolated, the government decided to make political gain from an industrial dispute and the FOL is held to have allowed it to happen. The New Zealand Waterside Workers Union suffered a complete defeat. Arguably the strongest union ever formed in New Zealand — with its own band, debating clubs and welfare organisations — was destroyed. It was broken up into 26 port unions, and the Auckland leaders were blacklisted and never employed in the industry again.⁶² Jock Barnes, the union's national president, served two months' hard labour for criminal defamation. The National Party won the snap election held just over seven weeks after the industrial action collapsed. Jack Marshall, later a National prime minister, summed up the political repercussions of 1951:

Politically the gains for us [National] were enormous. We had established our capacity to govern and had removed the threat of union domination. We had manoeuvred the Labour Party into an equivocal position, neither for or against the militant unions, and had weakened their power base in the Federation of Labour. We had gained in public confidence, and increased popular support.⁶³

The union leaders agreed that it was one of the defining moments of New Zealand history.⁶⁴

The events of 1951 were dramatic, but broader developments meant that 1951 was no turning point industrially. Strike statistics, for instance, show that 1951 was an aberration; from the late 1940s to the late 1960s there was a low level of strikes.

Graph 2: Working days lost in stoppages, 1937–87.





'Do we operate or co-operate?' Neville Colvin shows Labour Cabinet ministers Bob Semple (left), Peter Fraser (centre) and Angus McLagan (right) as surgeons puzzling about whether to excise the watersiders from the 'labour body'.

Part two: Undoing the system

The FOL certainly seemed reluctant to change its direction in the post-war period. It continued to pursue its traditional wage strategy of supporting the highest possible rates for skilled workers, which it expected to 'trickle-down' through relativities to the rest of the labour force. It was only nominally supportive of equal pay and reluctant to support a substantive campaign.

The years from the late 1930s to 1960s are regarded as the classic period of the arbitration system and FOL dominance; thereafter both unravelled.⁶⁵ In the past a number of commentators have pointed to the importance of leadership: FP Walsh's ties to the Labour government underpinned the close relationship between the industrial and political wings of the labour movement. Similarly Barry Gustafson invests his account with leadership concerns:

Muldoon [National prime minister between 1975 and 1984] had for many years had a reasonably close rapport with Skinner, the FOL President. In public and to their respective constituencies both men attacked each other but in private they

pragmatically made arrangements to their mutual advantage. When the economic and industrial relations deteriorated and criticism of Skinner became more widespread in the union movement, he decided to retire. His successor was the FOL Secretary, Jim Knox. Unlike Skinner, who was as much a politician as a unionist, Knox was almost the stereotypical working-class warrior.⁶⁶

Working-class warriors emerged as the economic conditions deteriorated. But, as Pat Walsh indicates, the rules of the system changed too. For instance in 1949 the government legislated for special dispute procedures. Pat Walsh emphasises the period 1960 to the late 1970s as one of a 'slow walk away' from the industrial relations system instituted in 1894.⁶⁷ The system was finally reformed in the 1980s.



The watersiders' unions were re-established on a regional basis after the 1951 lockout. The South Island Watersiders Federation re-affiliated to the FOL in 1952, and the North Island Federation in 1954. Neville Colvin shows Jim Napier (the watersiders' main post-1951 leader) kissing and making up with the FOL. F.P. Walsh (right) holds the bouquet of flowers while Toby Hill (left) eats his words. However, after a tough period of unemployment and victimisation after 1951, Hill returned as an important trade union leader in the 1960s.

These two unpublished cartoons (and those on pages 28 and 129) were given to Toby Hill by Neville Colvin. They are now in the possession of Gerard Hill (Toby's son) and are reproduced with his permission.



The women delegates at the 1971 FOL conference, 20 May 1971. The original caption to this *Evening Post* photo said a lot about attitudes of the time: 'These women have got something to smile about. They are the only representatives of the fair sex at Federation of Labour conference being held in Wellington this week.' *Front row:* L Murphy (Shop Assistants Union, Auckland); Rae Milne (Woollen Workers Union, Christchurch); Margaret Flanagan (Clerical Workers Union, Wellington); Maureen Gibbons (Clerical Workers Union, Auckland). *Middle row:* Mary Daley (Clerical Workers Union, Christchurch); A Harding (Timber Workers Union, Auckland); Flo Humphries (Drug and Chemical Workers Union, Auckland); Anne Rodger (Clerical Workers Union, Wellington). *Back row:* Connie Purdue (Clerical Workers Union, Auckland); Sonja Davies (Food Processors Union, Hawkes Bay); Nelly Bell (president, NZ Clerical Workers Association).

Dominion Post collection, ATL EP/1971/2214

This is a history of protective tariffs and changes in workers' occupations as much as leadership. It emphasises a slow loss of commitment to the system. It also looks at wider social influences outside the trade union movement. The whole system operated behind a wall of protective tariffs and import controls, which insulated New Zealand industry. Marketing boards insulated primary producers and the service economy that grew in its wake. Arbitration was one of the planks of a protected economy, which provided full employment for white males.⁶⁸

State intervention thus was one factor contributing to undermining the system. When the National government attacked compulsory unionism in 1961, F P Walsh was clear that it was more than a freedom of association issue:

Make no mistake, it means more than the abolition of compulsory unionism. It means the right of unions to negotiate collective agreements on the basis of their economic strength, to take strike action, and to picket during the period of a strike.⁶⁹

While compulsory unionism was abolished in name, the FOL, the NZEF and Department of Labour officials met and agreed to insert a standard unqualified

preference clause in all awards requiring workers who were covered to join the union. This effectively ensured that compulsion continued.⁷⁰ As Pat Walsh has outlined, before World War II there was a single-tier bargaining structure, based upon awards and agreements settled within the conciliation and arbitration process. In the post-war period this simple system gave way to an increasingly complex three-tier bargaining structure. Awards and agreements settled through the arbitration system became supplemented by a highly complicated second tier of direct bargaining between unions and employers outside the system; in addition the increasing frequency and significance of GWOs added a third tier to the bargaining structure.⁷¹

By the late 1960s faltering economic growth, rising inflation and growing unemployment were undermining the industrial stability of the post-war era, with its centralised wage-fixing, moderate inflation and full employment. The National Party tried to re-establish effective economic management with its National Development Conference and National Development Council of New Zealand in 1969, but the whole wage-fixing system was rocked by the Arbitration Court's famous nil wage order in 1968.⁷² Where once the union movement as a whole had sought to establish the highest rates for skilled male workers and relativities to those rates for everyone else, from this point both militant unionists and some employers looked for a new industrial order.⁷³ As already indicated, Pat Walsh emphasises that the

The cover of a Labour election pamphlet for the 1946 election. While labour could rightly boast that its policies had improved the lot of women and children, the political and industrial Labour movement strongly supported full *male* employment and the *male* breadwinner wage.

ATL Eph-A-NZ-Labour-1946-01





By the time of the FOL's 50th, and final, annual conference, in 1987, 23 percent of delegates were women, there was an elected Women's Advisory Committee (WAC) and the committee's convenor was a non-voting member of the FOL national executive. Pictured here are FOL WAC members. *Back:* Irena Brorens (Shop Employees Union), Wendy Davis (Food and Chemical Workers Union), Rebecca Hamid (Nelson Timber Workers Union). *Front:* Suzanne McNabb (Tramways Union), Therese O'Connell (Clerical Workers Union and WAC convenor), Jude Lainchbury (Hotel Workers Union).

Therese O'Connell

walk away from arbitration was leisurely. Throughout the 1970s, the FOL and the NZEF worked with National and Labour governments to try and prop up the arbitration system. Far from encouraging militancy, as Trotter asserts, the FOL worked overtime to support the arbitration system and discourage strikes. This was in accord with the views of the majority of unions. Little research has been done on the views of union members. A detailed study in 1975 of the attitudes of nearly 400 workers in four different workplaces shows that the majority were cautious and conservative. Most were Labour voters who supported unions and saw them as effective with regard to wages and conditions. However many felt 'distant from their union, uninvolved in its problems, members in a formal sense only ...' They were reluctant to strike, much preferring 'to use established disputes procedures ...'⁷⁴

In his final speech as president of the Council of Trade Unions in 1999, Ken Douglas reflected on the history of the union movement and the changing strategies of the peak union organisation:

Before 1987, the main aims of the FOL were the maintenance of living standards and wage bargaining, in that order. The intention was to achieve the first by the second — to use wage bargaining to defend the integrity of the industrial wage ... I am not sure that the wage bargaining policy was ever fully tested. We never had free wage bargaining, and bargaining rested on the three pillars of the national awards system, compulsory arbitration, and fixed occupational relativities. All of those were neither free nor bargaining; they were consequences of the regulatory apparatus that successive governments maintained. The regulatory apparatus was designed to reduce industrial disputation, and whether it was wise or fair or even sustainable, the thinking of that time was that the best way to maintain industrial harmony was to maintain a network of wage relativities.⁷⁵

Historians have long been aware of the pressures on the system, especially changes in work and workers. Roth made a strong attempt to include women, Maori and the unskilled in his history of trade unions, but it ended in 1973. There were potentially significant institutional repercussions for the FOL in the changing occupational structures and greater individual and collective mobility, Maori urbanisation, higher levels of participation by women in paid work and professionalisation in many new occupations after 1973.⁷⁶ The proportion of Maori living in urban areas rose from 17.3 percent in 1936 to 70.7 percent in 1971.⁷⁷ The Maori workforce was transformed from a largely rural one with most employed in the primary sector to an urban occupational profile with most employed in manufacturing and services. In 1956 only 7 percent of the Maori workforce was professional, managerial or clerical compared to 27 percent of Pakeha. Only 3.4 percent of Maori workers earned £700 or more compared with 18.6 percent of Pakeha.⁷⁸ Census income statistics indicate that in 1961 the average annual income of Maori men was 90 percent of that of non-Maori men.⁷⁹ This is a massive improvement compared to the 1930s.⁸⁰ Manufacturing and service industries expanded rapidly in post-war New Zealand, as did the high level of demand for public buildings on the one hand and private homes on the other. Large construction sites, and even whole towns, were required to meet the needs of forestry and hydropower industries. Hydro-towns such as Mangakino and Atiamuri and 'timber towns', like Kawerau, Murupara and Kaingaroa mushroomed.⁸¹ The forestry company, New Zealand Forest Products, attracted a range of workers from within New Zealand, both Maori and Pakeha, but also from overseas such as Pacific Islanders, the British and the Dutch to its 'high pressure' development at Tokoroa (the settlement for workers at the large Kinleith paper mill).⁸² To do so, it had to make employment attractive. Once there, single-company and single-site agreements developed, which bore little relationship to the old traditional occupational relativities.

At a time of massive change the FOL seemed intent on looking backwards. In 1965 it took a case to the Arbitration Court in which it requested that the court make a general pronouncement on the percentage margin that should apply between skilled and unskilled workers.⁸³ The 'Margins for Skill' case was based on FOL research which showed that between 1909 and 1965 skilled tradesmen's margin over the general labourer had declined from 34.9 percent in 1909 to 19.4 percent in 1965.

Certainly the FOL was committed to the male breadwinner wage and was reluctant to support equal pay. Between 1945 and 1972 the proportion of women's wages to men's wages rose from 47 percent to about 70 percent. Initially this was something the FOL opposed. In August 1947 the FOL, in a standard wage hearing before the court, sought among other things an increase in the female rate as a proportion of the male rate, from 60 percent to 90 percent.⁸⁴ This was the first union-wide attempt to narrow the gendered wage differential. The FOL argued that the 'question of equal pay is quite divorced from that of family and dependent benefits. Dependent differentials are properly provided by separate benefits unrelated to wages.' These 'differentials' were the universal family benefit of 1946 and tax concessions that had existed since 1914. The FOL wanted male rates to be paid to women 'performing work normally performed by adult male workers.'⁸⁵ From this point, organised labour slowly began to support 'the rate for the job'. Separating concerns about men supporting wives and children on low wages from the call for equal pay was the first major post-war success for the equal pay movement.

Some of the slowness of the equal pay movement was due to the fact that the issue was lobbed back and forth between the court and the legislature. The government claimed that what constituted equity was a matter for the court to decide and the court decided it was something for parliament to decide. In 1950 the FOL unsuccessfully applied to the Arbitration Court to increase the female rate to 75 percent of a male wage and to base wage increases for men upon the 'notional family' of a man, wife and three children. The court said that raising the female rate would largely affect single women and would thus be unfair to families. At the same time, it was argued that basing wage increases upon a family unit that was larger than most families was also unjust, inequitable and inflationary. The court claimed that the 1936 amendment to the IC&A Act providing for a family wage for men was, 'more or less obsolete' because the state already determined the economic status of the family man independently of the court by its family allowances and minimum wage policies.⁸⁶ The law specified differential wage rates for men and women only between 1936 and 1954. Nonetheless most men's wages remained higher than women's as a result of their 'family responsibilities' into the

1950s and 1960s.⁸⁷ More importantly, this shows clearly the complex relationship between the industrial and the political in the arbitration system.⁸⁸

White-collar unions prompted change from within and from outside the FOL.⁸⁹ The new executive of the Wellington Clerical Workers Union (CWU) in the 1960s not only lambasted the 'old guard' of its own union led by FP Walsh,⁹⁰ but also attacked the FOL's failure to 'initiate and support applications to the Court of Arbitration for a major review of margins for skills and for equal pay for equal work.'⁹¹ In 1962 CWU delegates to the Wellington Trades Council succeeded in getting it to recommend that unions seek equal pay in all new awards. The president of the Wellington Trades Council urged all unions to ask for equal pay in their wage negotiations for it 'would be foolish' for the national executive to demand equal pay from the government, 'only to be told by the Minister that the Unions themselves did not seem to be seeking this measure.'⁹² But the FOL continued to be half-hearted.⁹³ In 1964 a FOL delegation to the prime minister asked the government to legislate for equal pay because union attempts to get equal pay provisions written into key awards, or female rates lifted much closer to male rates in other awards, had been unsuccessful.⁹⁴ At the same time, the FOL's stated policy was to bring a test case on equal pay to the Arbitration Court as soon as a suitable opportunity presented itself, and also to take the matter up again with government when the situation was economically propitious.

In 1969 the FOL came out more strongly in support of equal pay.⁹⁵ Addressing the annual conference, Tom Skinner, FOL president, said that the time had come to take action for equality of pay 'where it is appropriate', but that the federation needed a sound case to work on and would move 'on a suitable occasion' to establish a precedent. Although the conference reaffirmed the FOL policy of 'equal pay for equal work for males and females', it failed to support a remit from the Federated Shop Assistants Association asking for a test case to be prepared in connection with the hairdressers' dispute.⁹⁶ By 1970, however, caution had been abandoned in the face of pressure from female-dominant unions which was strongly articulated by women delegates at FOL conferences. Instead of taking a test case to the Arbitration Court the FOL decided to urge the government to introduce equal pay by legislation. The annual report presented to the 1970 conference was 'emphatic' in its demand that members strongly support equal pay, and urged a united effort by the entire trade union movement to force the government to ratify the relevant ILO convention.⁹⁷

Above all it needs to be emphasised that for most of its history only a minority of New Zealand wage and salary earners were members of the FOL. The wage and salary earners data comes from the census and it shows that a minority of workers



Prime Minister Robert Muldoon (left) meeting FOL president Tom Skinner (right) to discuss a cost of living increase for workers shortly after the National government's landslide election victory in 1975. Minister of Labour Peter Gordon sits in the middle. While Skinner and Muldoon were antagonistic publicly, they established a close working relationship in private, often meeting at their homes in the wealthy Auckland suburb of Kohimarama. These were not clandestine contacts and were accepted by the FOL executive.

Dominion Post collection, ATL EP/1975/5368

were FOL members. Taking the figures at face value, on average, about 45 percent of wage and salary earners were FOL members.⁹⁸

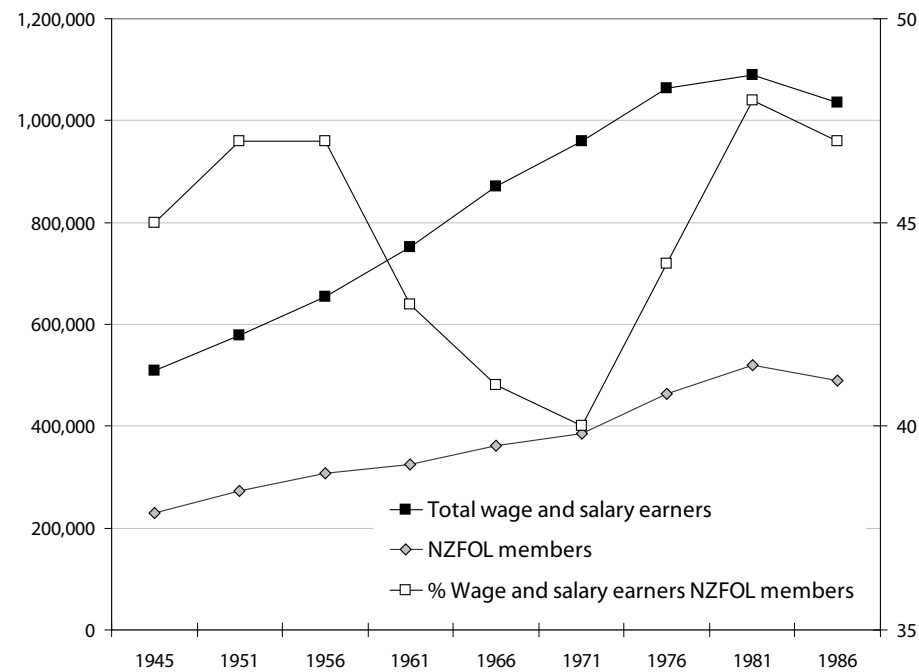
Apart from the railway unions, state sector unionists were not affiliated to the FOL. Maori were not counted in the statistics as wage and salary earners until 1951 and part-time and casual workers (presumably women and young people were overrepresented in this category) have been consistently under-reported since then.

Institutionally, representation underwrote the FOL's response to matters such as equal pay. As others have found for other labour institutions, the FOL was a mix of progressivism along with sexism and racism which changed over time just as the wider society changed. The FOL became relatively progressive in some ways on selected issues of representation. Developments in representation and institutions were linked. Changes in the basic wage strategy and hiatus in the post-war industrial system meant that equal pay found favour at a time when new power relationships within the FOL saw the rise of white-collar unions such as the clerical workers and shop employees, which had a high proportion of women members and whose leadership was committed to equal pay.

Only 12.5 percent of delegates to the FOL conference in 1976 were women, although it must be remembered that women's representation in parliament and in most other institutions at that time was even lower.⁹⁹ Women's advisory councils were not established by the FOL until the late 1970s and by state sector unions until 1984. Since its establishment in 1937 the FOL had held that women's organisation ought to be integrated with occupational or industry unions at national and district levels. Unions largely ignored the particular interests of Maori workers until the 1980s. In 1986, a national hui of Maori unionists debated the formation of a separate movement. They decided to remain within the established unions but called for Maori representation in union structures.¹⁰⁰ When the CTU was formed in 1987 it decided to keep separate structures for women and Maori in place by a very narrow margin: the card vote was 265,463 for and 265,187 against. This decision proved critical for increasing participation by women and Maori in policy making.¹⁰¹ In Chapter 6 the panellists in this collection cover the FOL's grappling with this issue.

Most trade unions representing workers in the state sector were not affiliated to the FOL. Few of the state sector unions were registered under the IC&A Act and

Graph 3: Wage and salary earners compared to FOL members, 1945–86.





The wage and price freeze – imposed by the National government in 1982 – was largely Prime Minister Robert Muldoon's initiative. Treasury thought the freeze wouldn't work, employers were uncomfortable with it and unions campaigned against it. Despite the unpopularity of the freeze it lasted until 1984 when it was lifted by the newly elected Labour government.

Neville Lodge, *Evening Post*, 22 June 1983. New Zealand Cartoon Archive collection, ATL B-136-184. Reproduced with the permission of Debby Edwards

their membership numbers were thus excluded from official statistics on union membership. They had a separate organisation, the Combined State Services Organisation, later the Combined State Unions (CSU), and a different system of industrial relations. Wages were set according to the principle of fair relativity with the private sector. This was determined by a survey carried out by the Department of Labour of trades and labouring occupations in the engineering and construction industries. There were also negotiations for different occupational groups and national negotiations between state sector unions and the government.

Pat Walsh argues that 'considerably less than half of New Zealand's employers belonged to an employer's union in 1960.'¹⁰² Similarly, the FOI might have been the important union representative but it did not represent the majority of workers. This placed a governor on policies of militancy in the New Zealand context, a country in which non-Labour governments were in power for longer than Labour governments (28 compared to 22 years up to the mid-1980s).

And of course the impetus to the formation of the CTU came from the PSA, the largest state union, which provided much of the leadership, advocacy and research for the CSU.¹⁰³ There were joint FOL–CSU campaigns against the National government’s economic policies which led to an affiliation movement, and ultimately the CTU. The oil crises in the 1970s and Britain’s entry into the European Economic Community (EEC) in 1973 saw New Zealand’s economic situation deteriorate rapidly.¹⁰⁴ Unemployment rose and union opposition to the series of wage and prices freezes saw rising industrial action. In 1979 the National government threatened to derecognise the PSA in an electricity dispute. The dispute was resolved without the derecognition bill being passed but the FOL’s support of the PSA in the dispute signalled closer relations and close interests as the National Party attacked union rights and FOL policies designed to raise living standards: ‘One lesson of the derecognition struggle was that even the largest union in the country could not stand alone.’¹⁰⁵



“First cuckoo of spring”. This 1982 cartoon by Gordon Minhinnick from the *New Zealand Herald* shows a determined David Thorp (Public Service Association president) moving in on an alarmed-looking Jim Knox (FOL president). Prime Minister Robert Muldoon and Minister of Labour Jim Bolger are the bird spotters. As Ken Douglas points out in Chapter Six, the PSA’s call for a new Council of Trade Unions was carefully orchestrated and built on the increasing co-operation between state and private sector unions in the 1970s and early 1980s.

Bert Roth, *Remedy for present evils: A history of the New Zealand Public Service Association from 1890*, Wellington, 1987. Reproduced with the permission of Dion and Stephen Minhinnick

Ken Douglas addressed the PSA advisory council on 13 July 1982 about the 'affiliation question'. And, in turn, Colin Clark, PSA deputy general secretary, suggested the union movement form a New Zealand Council of Trade Unions which would 'unite not only the FOL and the CSU but also the large white-collar unions currently outside both organisations' (the bank and local government employees).¹⁰⁶ Along with increasing joint involvement in wages policy discussions, an inter-union CTU working party was established in 1982 to discuss the formation of a new central trade union organisation to replace the FOL and the CSU. It produced draft rules in April 1983 and held a preliminary constitutional conference in February 1985.¹⁰⁷ Ray Markey considers the CTU's establishment in more detail in Chapter 5.

A broader history still? The peculiarities of the FOL's world, 1937–88

Wider institutional relationships were changing, too. The Labour Party, and indeed, from 1949 the National Party too, had controlled the business of shaping the economic, social and cultural framework; the Arbitration Court being one of the primary vehicles. Increasingly from Labour's election in 1984, governments gave a large part of control of the economy to the market. With the floating of the New Zealand dollar and the lifting of tariff walls, the international financial world became a much more important element. But that raises the issue of whether economic and occupational changes were the principal influences on the FOL's policy making and executive action. Developments external to the trade union movement were important too: demographic history and the changing average social unit; the history of *mentalité* — the attitudes of 'average' New Zealanders; and the political economy.

Demographic history

There are important family–work–union linkages in the post-war period, when trade union politics were affected by demographic and socio-economic changes. Family variability was at its lowest in the 20th century and this had political ramifications, albeit indirect.

It is commonly held that families in the past were universally large and that slowly they have grown smaller. There is a widespread contemporary belief that the family is breaking down with rising sole-headed families and divorce rates destroying their fabric. Ian Pool, Arunachalam Dharmalingam and Janet Sceats have written a much more subtle account of continual family change which is relevant to trade union history. They identify four main phases of the 'family

transition model'. There was an early colonial hyper-fertility with Pakeha reaching almost maximum fertility up to 1880. From the 1880s to 1930 the family size declined unevenly — in demographic terms there was reproductive polarisation or variability. As genders balanced there was a rising number of spinsters and a lower proportion of bachelors (in 1874, half (49%) of adult men had never married; by 1926 the figure had dropped to 30 percent) at the same time as there were some large families.¹⁰⁸ They characterise the post-World War II period as the era when variability diminished, with most New Zealanders marrying and having smaller families. The fourth phase is a period of family diversification again: one of more family and reproductive polarisation, smaller families still, a 'baby bust' (although there are also a baby blips at times), cohabitation rising at the expense of marriage against a backdrop of the contraceptive revolution and delayed childbearing. They end with addressing concerns over 'baby deficient' or unsustainable small families.¹⁰⁹ The Maori transition differs from Pakeha, with the transition from the first to the second stages being delayed and then the transition from the third to the fourth being accelerated. After 1966 Maori experience was similar to that of Pakeha.

So the FOL existed at a time when family variability narrowed: most New Zealanders married and most had small families. Full employment was at its peak in the post-war period, with controlled immigration, import restrictions, tariff protection and the flowering of the welfare state. The gap between rich and poor also narrowed to reach a low in the 1970s and 1980s before it widened once more. The FOL then had better reasons than at any other time since Pakeha settlement for pitching its policies to the average New Zealander and their similar family needs. However, policies founded on this basis floundered from the 1970s as family diversification increased.

Attitudinal changes

Similarly it can be argued that there was a common *mentalité* in the period 1937 to 1988 that underwrote FOL policy. Social attitudes are much more difficult to measure than demographic trends. How do we measure consensus on core economic processes? When the UN Universal Declaration of Human Rights was signed in 1948, Dr Colin Aikman, speaking on behalf of the New Zealand government, said:

Experience in New Zealand has taught us that the assertion of the right of personal freedom is incomplete unless it is related to the social and economic rights of the common man. There can be no difference of opinion as to the tyranny of privation and want. There is no dictator more terrible than hunger. And we have found in



From the 1960s on, the FOL took progressive stands on a number of international issues. Union opposition to apartheid and to discrimination against Maori led the FOL to oppose the whites-only 1970 All Black tour of South Africa. In this Nevile Lodge cartoon, Tom Skinner kicks the anti-tour ball towards Keith Holyoake, the National prime minister. The National government took a 'hands off' approach, arguing that politics and sport should not be mixed.

NZ Cartoon Archive, ATL B-134-052. Reproduced with the permission of Debby Edwards

New Zealand that only with social security in its widest sense can the individual reach his full stature. Therefore it can be understood why we emphasise the right to work, the right to a standard of living adequate for health and well-being, and the right to security in the event of unemployment, sickness, widowhood and old age. Also the fact that the common man is a social being requires that he should have the right to education, the right to rest and leisure, and the right to freely participate in the cultural life of the community. These social and economic rights can give the individual the normal conditions of life which make for the larger freedom. And in New Zealand we accept that it is the function of government to promote their realisation.¹¹⁰

While there were no attitudinal studies in the immediate post-war period, there are indicative measures. Take, for instance, the survey of primary school teachers on equal pay conducted in the late 1950s by their union, the New Zealand Educational Institute (NZEI); i.e. an occupation with a large number of educated women in its ranks and generally held to be progressive.¹¹¹ In May 1957 the NZEI

released the results of a survey of 4000 teachers, 3886 of whom said they would not accept equal pay if there was not also the provision of an adequate family benefit.¹¹²

This core consensus fell away slowly from the 1960s, later than most accounts indicate. A number of recent studies suggest that there has been a transition in social values constituting significant cultural change in the late 20th century. New Zealanders' attitudes to social inequality, for instance, have been tracked for 20 years as part of the International Social Survey Programme. In 1992, 70 percent of respondents to the survey still said income differences in New Zealand were too large. By the most recent survey in 2009 that had fallen to 60 percent, even though the country had become more unequal over that time. In 1992, half (52 percent) of respondents said that workers' pay should be influenced by the cost of supporting a family, or whether they had children. Those beliefs have dropped away to 34 percent in 2009. Half the respondents to the survey (52 percent) also said it was the government's job to reduce income differences between people. More recently that figure has also fallen to 40 percent; the majority no longer think it is up to the state to reduce inequality. Inequality rose everywhere in the Western world in the last couple of decades of the 20th century but it rose fastest in New Zealand. Once New Zealand was considered an equal society.¹¹³ 'New Zealanders once prided themselves on being an egalitarian society, but research shows we not only tolerate increasing income disparity but appear to welcome it.'¹¹⁴

This cultural change emerged piece by piece, changing institutional relationships.¹¹⁵ It amounted, however, over the lifetime of the FOL, to a fundamental shift in values.

Political culture

New Zealand's political culture, furthermore, was peculiar. A number of historians have pointed to the Liberal government's 'social contract' at the turn of the 20th century; a social contract developed upon the basis of a social consensus over continual progress, class harmony and egalitarianism.¹¹⁶ In Australia this was known as the Deakinite settlement until Paul Kelly popularised it as the 'Australian settlement', but there was a New Zealand variant too. Conflict was resolved by a social consensus over a male breadwinner wage, white New Zealand and tariff and industry protection.¹¹⁷ Less attention has been given to the political culture in the post-war period when a second 'social contract' developed: a statist and centralist consensus over the welfare state and Keynesian policies that stretched from Savage's to Muldoon's governments, 1935–83 — most of the lifetime of the FOL. It was a stronger and more long-lasting social pact or 'accord' than others

on record.¹¹⁸ It has been described as 'socialism of middle New Zealand', i.e. that 'full employment, an expanding economy and a stable currency could be achieved by central government management, deficit financing and high public expenditure.'¹¹⁹

Its effect was that there was relatively little conflict in post-war New Zealand and the trade union movement was one aspect of this. Certainly the FOL was not as sharply divided by Catholic or communist factions as in Australia or by feminist or indigenous movements when they emerged.¹²⁰ The role of communist members in the New Zealand trade union movement, for instance, never provoked the political debate that it did in Australia.¹²¹ Communist Party membership peaked in New Zealand during World War II at about 2000.¹²² Even though it was led (1950–63) by F P Walsh, who had been a militant and early member of the Communist Party, and (1979–88) by Ken Douglas who was a prominent leader of the Socialist Unity Party, the FOL did not split along ideological lines. The Trade Union Congress 1950–51 was a short-lived split. The point is that there was general social agreement after 1951. Certainly the National Party, the Labour Party and the FOL generally found agreement.

Unlike Australia, there was general anti-communist feeling. The FOL executive in the post-war period was right-wing, albeit on the right of a left-wing New Zealand institution and a participant in the international developments of the early stages of the Cold War. In May 1949 on F P Walsh's motion, the FOL agreed to cancel its association with the World Federation of Trade Unions (WFTU) by a vote of 197 to 61. The WFTU had been formed in 1945 to bring together country-wide trade union groups. Representatives from 56 countries representing 67 million workers had joined the WFTU. The ACTU president Albert Monk, the Australia-New Zealand representative on the WFTU executive committee, described it as being under communist control; it was "one way traffic" and had unfortunately failed in its efforts to function as an international trade union organization to compose different political ideologies and methods to achieve objectives.'¹²³ The drive to isolate the Soviet Union in international affairs saw a number of trade union federations withdraw from the WFTU. American and British trade unions called a conference in Geneva in June 1949 which FOL leaders Alexander Croskery, F P Walsh and Len Hadley (who became the first trade unionist to be knighted, in 1974) attended to establish a new world-wide federation of 'free' trade unions to 'advance the cause of world peace, check communist infiltration into free trade unions and promote higher standards for workers on an international level.' In April 1950 at its annual conference the FOL officially affiliated to the non-communist 'democratic' ICFTU which claimed 50 million affiliated workers.

The FOL promoted progressive politics from the 1940s to the 1980s: equal pay, opposition to apartheid, the Vietnam War and nuclear weapons with the same kind of majority consensus as occurred over support for the ICFTU. However, by the 1970s, and certainly into the 1980s, the consensus was fraying. The end of certainty over the post-war political culture coincided with the end of the FOL.

Conclusion

The history of an institution is greater than a sum of the biographies of its leaders or indeed the external factors operating upon them. Rather than the leadership determining its character or wilfully determining strategic direction, the history of the FOL has to be grounded in the wider period, 1937–88, and within New Zealand's culture. While clearly the FOL was a different institution when it went out of existence than it had been in 1937, its world had changed too. Others have examined the economy, the changes in work and workers and the evolving industrial relations systems. To this survey we have added wider issues such as family formation, societal attitudes and political culture. We have followed here the views of those like Raymond Williams who hold that workers are 'real agents'; within constraints they created and changed the values and culture that sustained solidarity and the FOL.¹²⁴

So, finally, were the working people of New Zealand well-served by the FOL in this period? Within the framework of a protected economy and a highly regulated wage-fixing system for its entire institutional history, the FOL played a central role in ensuring that gains made by stronger groups of workers flowed through to all unionised workers. The question remains whether the FOL could have done more, and how much it was responsible for what occurred — or whether it was over determined or just plain 'lucky'. However 1937 to 1988 was the period in which income inequalities were reduced to the narrowest on record. By any measure, the FOL and its affiliated unions were able to protect the wages of ordinary workers to a greater extent than in the periods before or after, which was a rare feat.¹²⁵ The FOL was an organisation of and for its times. By the 1980s it was running out of steam. A more representative peak organisation, a new approach and a wider agenda were needed.

Notes

1 Bert Roth, *Trade Unions in New Zealand: Past and Present*, Wellington, Reed Education, 1973.

2 Melanie Nolan (ed), *Revolution: The 1913 Great Strike in New Zealand*, Christchurch, Canterbury University Press, 2005.

Membership rose rapidly during 1911 from 6124 to 13,971; it was estimated that by February 1912 the Red Feds had 43 affiliates and almost 15,000 members. There were still 322 unions and 60,622 members registered under the IC&A Act at the end of

- the year. Roth, *Trade Unions in New Zealand*, Appendices, Table 2, 'Unions registered under the I C and A Act at 31 December of each year.'
- 3 Roth, *Trade Unions in New Zealand*, p 139.
 - 4 Erik Olssen, 'Mills, Walter Thomas', *Dictionary of New Zealand Biography (DNZB)*, vol 3 (1901–20), Auckland, Auckland University Press and Department of Internal Affairs, 1996.
 - 5 W E J Maguire, *The Solidarity of Labour in New Zealand: Agitate, educate, organise: A special plea for the union of all Dominion workers under one political organisation and the cooperation of the Federation of Labour with the New Zealand Labour Party*, Wellington, Watkins, Tyler & Tolan, 1912.
 - 6 *Evening Post*: 31 March 1923; 4 April 1924; 17 May 1924; 2 October 1924; The conference to form the Trades and Labour Council's Federation was held in Dunedin at Easter on 19 April 1924. The Wellington Trades and Labour Council (WTLC) led the move to revive the 'Old Trades and Labour Councils Federation' in 1923; when it was reformed in 1924. John Read, the WTCL president was elected as the first president of the TLC's Federation of Labour. The best account of the TLC Federation of Labour is Kath Clark, 'Splendid Isolation: the Canterbury Trades and Labour Council and the Question of Unity, 1928–1937' in Pat Walsh (ed), *Trade Unions, Work and Society: The Centenary of the Arbitration System*, Palmerston North, 1994, Dunmore Press, pp 109–25.
 - 7 On his visit to New Zealand in June 1930, Walter Citrine, general secretary of the British Trades Union Congress, was struck by the division between the TLCs and the Alliance of Labour. On arriving in Auckland, he was told that 'the Trade Union Movement was very divided here between the big Unions in the Alliance and the smaller ones in the Trades Council. The feeling was not good between them, although they all combined politically in the Labour Party.' Diary of a journey around the world by Walter Citrine, vol 2, CITRINE/1/11. Archives, London School of Economics, p 426.
 - 8 See, for instance, the accounts of the leadership: P H Hickey, 'Red' Fed Memoirs: Being a brief survey of the Birth and Growth of the Federation of Labour from 1908 to 1915 and of the days that immediately preceded it, Wellington, New Zealand Workers Print, 1925. P J O'Farrell, *Harry Holland: Militant Socialist*, Canberra, Australian National University, 1964. Michael Bassett with Michael King, *Tomorrow Comes the Song: A life of Peter Fraser*, Auckland, Penguin, 2001. Carina Hickey, 'From Coal Pit to Leather Pit: Life Stories of Robert Semple', PhD, Massey University, 2010. J Weir, 'The Red Fed', unpublished biography of P H Hickey, c 1970; Peter Clayworth is currently writing a biography of Pat Hickey, see 'Pat Hickey — the Making of a Homegrown Revolutionary', presentation at the Blackball Strike '08 centennial symposium, Blackball, 23 March 2008.
 - 9 Jim Hagan, *The History of the A.C.T.U.*, Melbourne, Longman Cheshire, 1981. Clifford B Donn, *The Australian Council of Trade Unions: History and economic policy*, Latham, University Press of America, 1983. For a discussion comparing the ACTU and the FOI, see Bradon Ellem and Peter Franks, 'Trade Union Structure and Politics in Australia and New Zealand', in *Labour History*, no 95, November 2008, pp 43–68.
 - 10 Erik Olssen, *The Red Feds: Revolutionary Industrial Unionism and the New Zealand Federation of Labour, 1908–14*, Auckland, Oxford University Press, 1988.
 - 11 These definitions are Stuart Macintyre, cited and developed by Terry Irving, 'Labourism: A Political Genealogy', *Labour History*, no 66, May 1994, pp 1–13.
 - 12 *Guide to the archives of the New Zealand Federation of Labour, 1937–88*, Palmerston North, Dunmore Press, 1988. New Zealand Federation of Labour Records, 1922–89, MS-Group-0049, ATL.
 - 13 David Long, 'Whatever happened to the Radical Rag? The Story of *The Standard*, 1935–45', 489 essay, VUW, 2000, p 35 citing New Zealand Worker Printing and Publishing Company Ltd, Annual General Meeting, 10 June 1945, Labour Party Papers, ATL; see also Stephen Robertson, 'The Link That Binds the Movement: The story of the *New Zealand Worker* and the New Zealand labour movement 1916–1935', 489 essay, VUW, 1995.
 - 14 New Zealand Federation of Labour: *Research Bulletin*, Wellington, 1941–57; *Information Bulletin*, 1958; *New Zealand Federation of Labour Bulletin*, 1949–79, ATL.

- 15 F P Walsh 1894–1963 Papers 1914–63, MS-Papers 0274; Skinner, Thomas Edward 1967–83 MS Papers 2613; Anthony Joseph Neary Papers, ca 1948–84, MS-Papers 88–265; Peter Michael Butler papers ca 1925–87, MS-Papers 89–119, ATL.
- 16 Glenda Northey, 'Is No News Good News? The effectiveness of restrictive government measures on representations of watersiders during the 1951 waterfront dispute, particularly within the Auckland Region; A Bibliography', Andrew David Cooper, 'The 1951 Waterfront Dispute in Canterbury: A Select Annotated Bibliography', and Leo Clayton, 'An Annotated Bibliography of the 1951 Waterfront Dispute in Wellington', Master of Library and Information Studies theses, VUW, 2001.
- 17 Graeme Hunt, *Black Prince*, Auckland, Penguin, 2004. Tom Skinner with John Berry, *Man to Man*, Christchurch, Whitcoulls, 1980. Sonja Davies, *Bread and Roses*, Auckland, Australia and New Zealand Book Co., 1984 and *Marching On*, Auckland, Random House, 1997. David Grant, *Man for All Seasons: The Life and Times of Ken Douglas*, Auckland, Random House, 2010.
- 18 See the *DNZB* for articles on those substantially involved in the FOL: T A Anderson (1888–1964); Chip Bailey (1921–63); Ken M Baxter (1893–1975); Peter M Butler (1901–95); Nada (Nan) Clark (1922–64); Fred Cornwell (1875–1948); Alex Croskery (1878–1952); Alex Drennan (1899–1971); Dick Eddy (1882–1955); Toby Hill (1915–71); Florence Humphries (1915–81); Walter Knox (1919–91); Angus McLagan (1891–1956); William Noel Pharazyn (1894–1980); Tom Skinner (1909–91); F P Walsh (1894–1963).
- 19 Peter Franks, review of Chris Trotter, *No Left Turn: The Distortion of New Zealand's History by Greed, Bigotry and Right-Wing Politics*, Auckland, Random House, 2007, in *Labour History*, vol 94, May 2008, pp 191–92.
- 20 W B Sutch, *The Quest for Security in New Zealand 1840 to 1966*, Wellington, Oxford University Press, 1966, p 358.
- 21 *The old New Zealand Federation of Labour 'Red Fed' Auckland (Transport) Branch grand re-union of men who remained loyal to their union in the 1913 strike: 17th December 1938, at 8 p.m. in the Foresters Hall, Auckland*, New Zealand Federation of Labour, Auckland (Transport Branch), 1938, ATL.
- 22 Trotter, *No Left Turn*, pp 289–90.
- 23 *New Zealand Official Yearbook*, 1966–86.
- 24 A thesis developed in Bruce Jesson, *Only Their Purpose is Mad: The Money Men Take Over New Zealand*, Palmerston North, Dunmore Press, 1999.
- 25 Michelle D Slade, 'Industrial Unionism in New Zealand, 1916–1925: A Study of the Transport Workers Advisory Board and the Alliance of Labour 1916–1925', MA thesis, University of Auckland, 1983. Robert McLuskie, 'Militancy within the New Zealand Federation of Labour During the Post-war years.' Kath Clark, 'A History of the Christchurch Trades and Labour Council, 1889–1937', MA thesis, University of Canterbury, 1993.
- 26 Roth, *Trade Unions in New Zealand*.
- 27 Pat Walsh, 'Walsh, Fintan Patrick, 1894–1963', *DNZB*, vol 4 (1921–40), Auckland, Auckland University Press and Department of Internal Affairs, 1998. Walsh was a member of the FOL executive (1937–44), vice president (1946–47 and 1948–53) and president (1953–63).
- 28 Peter Franks, 'Butler, Peter Michael, 1901–1995', *DNZB*, vol 5 (1941–60), Auckland, Auckland University Press and Department of Internal Affairs, 2000. Butler was a member of the FOL national council (1941–47) and its national executive (1948–59). He was defeated as an FOL executive member and in 1962 his labourers union was suspended from the FOL.
- 29 Kerry Taylor, 'Baxter, Kenneth McLean, 1893–1975', *DNZB*, vol 4 (1921–40), 1998. Baxter was secretary of the FOL 1944–69.
- 30 Roth, *Trade Unions in New Zealand*, p 89.
- 31 N S Woods, *Industrial Conciliation and Arbitration in New Zealand*, Wellington, Government Printer, 1963.
- 32 Patrick John Walsh, 'The Rejection of Corporatism: Trade Unions, Employers and the State in New Zealand, 1960–1977', PhD thesis, University of Minnesota, 1984.
- 33 E P Thompson, *The Making of the English Working Class*, Middlesex, Penguin, 1977 (first published 1963), p 9.
- 34 National Executive of the New Zealand Federation of Labour, *Survey of the Development of the Trade Union Movement in New Zealand*, Wellington, NZ Federation of Labour, 1961.

- 35 James Holt, *Compulsory Arbitration in New Zealand: The first forty years*, Auckland, Auckland University Press, 1986, p 193.
- 36 The IC&A Amendment Act 1932 removed protection for male unions; it continued if workers and employers agreed but few did. Women's unions were exempt, Roth, *Trade Unions in New Zealand*, p 51.
- 37 Woods, *Industrial Conciliation and Arbitration in New Zealand*, p 147.
- 38 Roth, *Trade Unions in New Zealand*, Table 3, pp 169–70.
- 39 A E C Hare, *Report on Industrial Relations in New Zealand*, Wellington, Victoria University of Wellington, 1946, pp 181.
- 40 Roth, *Trade Unions in New Zealand*, p 138.
- 41 Melanie Nolan and Pat Walsh, 'Labour's Leg Iron? Assessing Trade Unions and Arbitration in New Zealand', in Walsh (ed), *Trade Unions, Work and Society*, p 13.
- 42 Hare, *Report on Industrial Relations in New Zealand*, pp 176–79, 190–91.
- 43 Nolan and Walsh, 'Labour's Leg-iron?', p 13. The IC&A Amendment Act 1964 finally allowed unions to engage in 'welfare and educational activities'.
- 44 Ibid.
- 45 T W Bentley, 'Trade Union Financial Assistance to the New Zealand Labour Party 1930–1960', MA research essay, University of Auckland, 1973, p 20. The unions were the New Zealand Waterside Workers Federation, the Federated Seamen's Union of New Zealand, the New Zealand Workers Union, the Post and Telegraph Workers Union, the New Zealand Hotel and Restaurant Workers Union and the Amalgamated Society Railway Servants.
- 46 The FOL's 1970 annual report said that, while the FOL conference should take priority for unions, 'We believe it should be in the common interests of the two organisations for the FOL delegates to attend the Labour Party conference, if their Unions are affiliated to the NZ Labour Party. We hope that at the NZ Labour Party's fifty-fourth conference an industrial policy will be brought down in the interests of the wage and salary earners.' FOL, *Minutes and Report of the Proceedings of the Thirty-Third Annual Conference held in the Trades Hall, Wellington, on April 28, 29, 30 and May 1, 1970*, Wellington, 1970, p 38. At the 1970 Labour Party conference, unions held 407 card votes out of a total of 737. Peter Franks, *Working in the Labour Party*, unpublished paper, 1980, Peter Franks collection.
- 47 Most were settled at conciliation (which was essentially the same as today's mediation although more structured and formal. Writing in 1960, Sir Arthur Tyndall, the longest-serving judge of the Arbitration Court, emphasised the importance of conciliation in the New Zealand system: 'An analysis of the total of 2000 awards made during the last 13 years shows that 75 percent represent complete settlements by the parties. In addition, during the same period 1005 industrial agreements were made; so that out of 3005 enforceable documents only in 486 did the court have a direct hand in settling some of the terms. Sir Arthur Tyndall, 'The New Zealand System of Industrial Conciliation and Arbitration', reprinted from the *International Labour Review*, August 1960, Wellington, Government Printer, 1960, p 9.
- 48 Peter Franks, *Print and Politics: A History of Trade Unions in the New Zealand Printing Industry, 1865–1995*, Wellington, Victoria University Press, 2001, p 140.
- 49 Melanie Nolan, *War and Class: The Diary of Jack McCullough*, Wellington, Dunmore Press, 2009, p 25.
- 50 Federation of Labour (New Zealand), *Joint Statement on War Policy by the National Council of the Federation of Labour and the National Executive of the New Zealand Labour Party*, Wellington, Standard Print, 1940; New Zealand Federation of Labour, Minutes of a meeting with Cabinet, 9–10 January 1942, MS papers 8771, ATL.
- 51 The FOL continued to be run on a shoestring until the 1980s. In an interview with Peter Franks, the watersiders' leader Ted Thompson (FOL executive member 1971–80 and vice-president 1980–83) said it was a fault of both Skinner and Knox that the FOL was run 'on a skin-flint basis, no question about that. You'd think that they were paying it out of their wages.' Interview with Ted Thompson, 18 November 1997. Peter Franks collection.
- 52 Walsh, 'The Rejection of Corporatism', pp 105–6.
- 53 Minister of social security to the Federation of Labour, 2 July 1956; K Baxter to minister of social security, 6 August 1954, minister to the Federation of Labour, 2 July 1956, SS7 W2756 7/5/21, New Zealand Federation

- of Labour, 1946–60, National Archives, Wellington (NA).
- 54 Walter Nash, *New Zealand: A Working Democracy*, London, J.M. Dent, 1944, p 54.
- 55 Muriel Lloyd Prichard and James Bruce Tabb, *100 Years of the Auckland Gas Company*, Auckland, Auckland Gas Company, 1968.
- 56 The *New Zealand Standard* led a campaign against the government's abandonment of controls, calling on housewives' unions and women's groups to protest. See *New Zealand Standard*, 23, 30 March, 13, 20 April, 11, 18, 25 May, 1, 22, 29 June, 6 July, 21 September, 10 October, 9 November, 16 November 1950.
- 57 Roth, *Trade Unions in New Zealand*, p 138.
- 58 *Constitution and Rules of the New Zealand Federation of Labour as at January 1, 1969*, Wellington, NZ Federation of Labour, 1969, p 5.
- 59 *Appendices to the Journals of the House of Representatives (AJHR)*, 1952, H-45, p 5. *Otago Daily Times*, 23 July 1951.
- 60 Michael Bassett, *Confrontation '51: The 1951 Waterfront Dispute*, Wellington, A.H. & A.W. Reed, 1972. Dick Scott, *151 Days: History of the great waterfront lockout and supporting strike, February 15–July 15, 1951*, Wellington, Southern Cross Books, 1952. Michael Barry, 'Institutional and Social History Interpretations of New Zealand Waterfront Industrial Relations, Depression to Early 1940s', *Labour History*, no 80, May 2001, pp 121–40. Anna Green, *British Capital, Antipodean Labour: Working the New Zealand Waterfront, 1915–1951*, Dunedin, University of Otago Press, 2001, p 153. See also her earlier account, 'The Unimportance of Arbitration?: The New Zealand Waterfront 1915–1951', *New Zealand Journal of History*, vol 28, no 2, October 1984. David Grant (ed), *The Big Blue: Snapshots of the 1951 Waterfront Lockout*, Christchurch, Canterbury University Press, 2004.
- 61 Marcia Spencer, *The Incoming Tide, Sir William Sullivan and the 1951 Waterfront Dispute*, Wellington, M. Spencer, 1998, pp 200–6.
- 62 Most of the watersiders outside Auckland got their jobs back, including the leaders of their local unions.
- 63 John Marshall, *Memoirs: Vol 1, 1912–1960*, Auckland, Collins, 1983, pp 173–74.
- 64 Roth, *Trade Unions in New Zealand*, pp 75–8.
- 65 Jo Burton, 'Patterns of Continuity and Change. Continuing Trends in New Zealand Labour Relations and Industrial Legislation, 1968 and 1991', 489 essay, vuw, 1995.
- 66 Barry Gustafsen, *His Way: A biography of Robert Muldoon*, Auckland, Auckland University Press, 2000, p 344.
- 67 Pat Walsh, '“An Unholy Alliance”: The 1968 Nil Wage Order', *New Zealand Journal of History*, vol 28, no 2, October 1994, pp 178–93.
- 68 Deborah Mabbett, 'Labour market policy and New Zealand's welfare state, an overview of developments since World War II', in *Report of the Royal Commission on Social Policy*, vol 3, Part One, *AJHR*, H.2, April 1988, pp 563–92.
- 69 *Evening Post*, 11 November 1960.
- 70 Walsh, 'The Rejection of Corporatism', p 134.
- 71 Ibid, chapter 4, 'The Breakdown of the Arbitration System, 1960–67', pp 118–72.
- 72 *Report of the proceedings of the National Development Conference, plenary session, 27–29 August, 1968*, Wellington, Government Printer, 1969.
- 73 Walsh, 'An Unholy Alliance', pp 178–93.
- 74 Joel Seidman, *Attitudes of New Zealand Workers*, Industrial Relations Research Monograph no 1, Industrial Relations Centre, vuw, 1975, p 97, 99. Seidman, emeritus professor of industrial relations at the University of Chicago and his assistants conducted in-depth interviews with 399 workers at a metal working plant, a wood products factory, a sawmill and a construction company. 56% of those interviewed were European, 27% Maori and 12% Pacific Islanders.
- 75 Ken Douglas, 'Address to the 6th Biennial Conference of the New Zealand Council of Trade Unions, 1 November 1999', unpublished.
- 76 Melanie Nolan, 'Constantly on the Move but Going Nowhere? Work, Community and Social Mobility', in Giselle Byrnes, general editor, *The New Oxford History of New Zealand*, South Melbourne, Vic, Oxford University Press, 2009, pp 357–87.
- 77 *Manatu Maori, Nga take i neke ai te Maori: Maori Mobility: A review of research, Manatu Maori, Report 1*, Wellington, 1991, Manatu Maori, p 22.

- 78 Michael King, 'Between Two Worlds' in W H Oliver, general editor, with Bridget Williams, *The Oxford History of New Zealand*, Auckland, Oxford University Press, 1981, p 299.
- 79 Sholeh A Maani, 'Why have Maori relative income levels deteriorated over time?', *The Economic Record*, vol 80, no 248, March 2004, pp 101–24.
- 80 James Belich, *Paradise Reforged: A History of the New Zealanders From the 1880s to the Year 2000*, Auckland, Penguin, 2001, p 474.
- 81 Ibid, pp 308, 315, 398, 444, 448, 449, 473, 474, 534–39; Bronwyn Dalley & Gavin McLean, *Frontier of Dreams: The Story of New Zealand*, Auckland, Hoa Moa Beckett, 2005, pp 321–25.
- 82 Gareth Roderick, 'A saga of modern day pioneering: Tokoroa and its place within New Zealand social history', 489 essay, VUW, 2006.
- 83 Federation of Labour, *Submissions to the Court of Arbitration Concerning Margins Payable for Skill*, Wellington, 7 September 1965.
- 84 *Book of Awards*, vol 47 (1947) pp 1363–4, Pronouncement of Court of Arbitration specifying standard rates of wages.
- 85 Standard Wage Pronouncement, 1947, p 19, MS papers 4100–32/6/1, MS Group 0049, ATL.
- 86 Woods, *Industrial Conciliation and Arbitration in New Zealand*, pp 142 & 164–5. *Book of Awards*, vol 50 (1950), p 14.
- 87 Melanie Nolan, *Breadwinning: New Zealand Women and the State*, Christchurch, Canterbury University Press, 2000. Minimum wages continued to be prescribed by Order-in-Council but not on gender grounds. The provision of gender-differentiated wages in the 1945 Minimum Wage Act (which was amended in 1947, 1949, 1950, 1951) was abandoned in 1952. Furthermore, the male breadwinner 'basic wage' was dropped from the re-enactment of the Industrial Conciliation and Arbitration Act in 1954.
- 88 Walsh, 'The Rejection of Corporatism', pp 111–17.
- 89 John E Martin, *Holding the Balance: A History of New Zealand's Department of Labour 1891–1995*, Christchurch, Canterbury University Press, 1996, p 289 cites N S Woods, *Troubled Heritage: The Mainstream Developments in Private Sector Industrial Relations in New Zealand, 1894–1978*, Occasional Papers in Industrial Relations, no 23, Victoria University, p 13 to argue that qualified preference in 1961 and the IC&A Amendment Act 1964 saw unions 'strengthen their organisation and communicate better with members.'
- 90 For a full discussion, see Peter Franks, 'Hurrah, hurrah for F.P. Walsh? The Clerical Workers Union 1938–1940' in Walsh (ed), *Trade Unions, Work and Society*, p 137.
- 91 Minutes, Executive Council of the New Zealand Clerical Workers' Association, Dunedin, 10–12 April 1961, Peter Franks' collection.
- 92 Wellington Trades Council Annual Report 1962 reported in *Clerical News*, September 1962, p 8.
- 93 An indication, perhaps, is articles on equal pay in the *FOL Bulletin*. Only three appeared in the 1960s: vol 2, no 6 (August 1963), p 7; vol 5, no 2 (October 1969), p 7; vol 5, no 3 (November 1969), p 3.
- 94 Keith Holyoake to T E Skinner, 28 July 1964. FOL, Prime Minister file, FOL records, MS papers-4100-18/41/5, MS Group 0049, ATL.
- 95 Roth, *Trade Unions in New Zealand*, p 131.
- 96 FOL conference — minutes and report of proceedings, 1969, p 38, MSX 2394, MS Group-0049, ATL.
- 97 FOL conference — minutes and report of proceedings, 1970, p 43, MSX 2395, MS Group-0049, ATL. A few of its constituents did not change their minds, however. See Christchurch *Star*, 9 November 1970. Most notably, in 1970 the Grocers' Award, hitherto an 'equal pay' award, explicitly stipulated that female grocery assistants were to receive less than their male counterparts.
- 98 Walsh, 'The Rejection of Corporatism', p 96.
- 99 Women made up only 2.3% of delegates on average between 1960 and 1969. This proportion rose from 4.1% in 1970 to 12.5% in 1976. A J Geare, J J Herd and J M Howells, *Women in Trade Unions*, Industrial Relations Research Monograph no 6, Industrial Relations Centre, VUW, 1979, p 11.
- 100 Ellem and Franks, 'Trade Union Structure and Politics in Australia and New Zealand', p 53.
- 101 Patricia Sarr, *Out of the Chorus Line*, Wellington, NZ Council of Trade Unions, 1992.

- 102 Walsh, 'The Rejection of Corporatism'.
- 103 Jack Lewin had wanted the PSA to affiliate to the FOL in the 1940s.
- 104 Roth, *Trade Unions in New Zealand*, pp 160–65.
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- 109 Ian Pool, Arunachalam Dharmalingam and Janet Sceats, *The New Zealand Family from 1840: A demographic history*, Auckland, Auckland University Press, 2007.
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- 111 Nolan, *Breadwinning*, especially Chapter 7, 'Married Women Workers'.
- 112 *Dominion*, 16 May 1957; *Otago Daily Times*, 18 May 1957; 19/1, Box 10, CEPO, Equal Pay Archives, PSA.
- 113 Melanie Nolan, 'The Reality and Myth of New Zealand Egalitarianism: Explaining the Pattern of a Labour Historiography at the Edge of Empires', *Labour History Review*, vol 72, no 2, August 2007, pp 113–34.
- 114 Joanne Black and Ruth Laugeson, 'All Things Being Equal', *New Zealand Listener*, 1–7 April 2010, pp 14.
- 115 Massey University Department of Marketing's International Social Survey Programme, quoted by *New Zealand Listener*, 1–7 April 2010, p 15.
- 116 Belich, *Paradise Reforged*, pp 22–3.
- 117 Paul Kelly, *The End of Certainty: The Story of the 1980s*, St Leonards, NSW, Allen & Unwin, 1992, pp 2–9.
- 118 See, for instance, the formal Accord between the Australian Labor Party and the ACTU, *The Statement of Accord, Statement of Accord by the Australian Labor Party and the Australian Council of Trade Unions regarding economic policy*, Melbourne, ACTU, 1983. See also Glen O'Hara, 'Planned Growth of Incomes' or 'Emergency Gimmick': the Labour Party, the Social Partners and Incomes Policy, 1964–70', *Labour History Review*, vol 69, no 1, April 2004, pp 59–81; and John S Ahlquist, 'Policy by Contract: electoral cycles, parties and social pacts, 1974–2000', *The Journal of Politics*, vol 72, 2010, pp 572–87 and Policy by Contract: Social Pacts in Australia and New Zealand' unpublished paper presented at the annual meeting of the Midwest Political Science Association, Palmer House Hotel, Chicago, April 12, 2007.
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CHAPTER FOUR

The tyranny of averages and the politics of indexing: The Walsh Years, 1937–63

Melanie Nolan

Did the New Zealand Labour Party (NZLP) manage a compliant union movement with a strong national organisation after the New Zealand Federation of Labour (FOL) was formed in 1937? Opponents of the FOL believe Peter Fraser forced unions into federation in 1937 in order to create a lackey.¹ On the other hand, opponents of the NZLP have regarded the party as the FOL's follower, obeying its socialist objectives with excessive willingness.² Putting to one side which organisation was the more dominant, the political relationship between the FOL and NZLP was clearly close; it has dominated the literature of New Zealand's industrial history during what is known as the 'Walsh years', when Fintan Patrick Walsh was FOL president from 1952 to 1963.

The relationship of the political and industrial wings at the leadership level between Fraser and Walsh was important, especially for the success of the stabilisation policy. This policy sought to steady or at least restrain upward movement of costs, prices and wages to constrain the cost of war, control inflation and maintain living standards from 1940 and into the post-war period.³ After a conference on stabilisation in 1940, the government established the Economic Stabilisation Committee in September 1941. Its members were the Minister of Finance, the Minister of Industries and Commerce, the acting chairman of the Economic Stabilisation Conference and five representatives of employers and employees. It was followed by a smaller Economic Stabilisation Commission.⁴ The emphasis on personalities and wartime relations has drawn attention away from the FOL and the government's independent policies, and obscured the grounds for disagreement between the two wings of labour in the long term. For instance, the government adopted stabilisation policies before the war, with import and exchange controls implemented in 1938.⁵ For its part the FOL had both workers' and consumers' interests, which were not always the same as the government's interests.

Political and union leaders could agree on a wages policy at a particular time. Closer attention, however, to the problems that implementation of an agreed wages policy faced — wage drift outside the aegis of the Arbitration Court, the compression of wages and the frustrations of an increasing number of unions with the arbitration system — reveals a more contested industrial history surrounding a challenge to the male breadwinner policy, particularly the politics of indexation. This wider vista means cutting Walsh down to size in our histories of the period. It also shows the importance of unlikely industrial actors in a context which is usually considered masculinist.⁶ Women were critical industrial actors in the Walsh years, a period when the so-called average worker, the basis of industrial relations from 1930s to 1960s, was no longer simply the male breadwinner. But women's role loomed large in the post-war cost of living debates as well.

As others have shown, FOL wages policy went through four phases between the 1930s and the 1960s: (i) the pre-war period when it was getting established; (ii) wartime stabilisation when the FOL was closely involved in government economic policy through the relationship between Walsh, Fraser and the Minister of Labour, Angus McLagan; (iii) 1947 to the early 1960s — the heyday of general wage orders (GWO), what might be described as the GWO system; and (iv) the three-tier system that developed in the late 1950s. Between 1894 and World War II the Arbitration Court had regulated labour conditions and settled disputes when collective bargaining or conciliation between employers and workers had broken down. In the 'Walsh era' collective bargaining through conciliation councils still occurred, but it was overshadowed by GWOs. There were precedents but the court's power of fixing general wages was set out in the wake of the Economic Stabilisation Act 1948.⁷ GWOs directly affected 40 percent of wage and salary earners and indirectly affected the other wage-fixing tribunals for watersiders, public servants and railway workers; it 'eventually spread through the whole wage structure'.⁸ The court's role in the post-stabilisation economy loomed larger than the relationship between the NZLP and FOL. Rather than the relationship between the political wings of labour, the significant debate was in the court over averages, indexes and the allocation of resources. These GWO hearings were important, colourful public and political events — or as Professor John Roberts, son of union leader 'Big Jim' Roberts described them, 'the grand inquest of the nation'.⁹

Distinguishing between FP Walsh and the Walsh Era

Technically, as Bert Roth has suggested, the Walsh era was the period when Walsh was FOL president from 1952 to 1963.¹⁰ Walsh stood unsuccessfully for vice-president in 1937 but was vice-president in 1946 and from 1948 to 1952.¹¹ Indeed,

he was on the FOL executive for all but three years between 1937 and 1963.¹² But, as Noel Woods suggested, earlier leaders such as Ted Canham and Fred Cornwell were lesser powerbrokers (indeed he suggests that they were mere figureheads) than Angus McLagan and Dick Eddy and, especially, FP Walsh.¹³ Jock Barnes is not the only one who argues that Walsh called the shots over the 1951 waterfront lockout.¹⁴ Others have drawn attention to the closeness of Walsh's friendship with Fraser for the entire first Labour government (1935–49) and, of course, his role on the Stabilisation Commission. Bruce Brown speaks for most by observing that, despite Walsh not becoming president of the FOL until 1952, 'he was in reality its dominating personality from the time of the war.'¹⁵ Certainly few discuss the FOL between 1937 and 1967 without dwelling on FP Walsh.

More than any other FOL leader, Walsh has attracted stereotyped and strong reactions which Dean Parker canvassed in summary in a 1988 *Metro* article about the 'Black Prince'.¹⁶ Ideologically Walsh was a moving target, deciding that the centre of all evil moved from Rome to Moscow and maybe back again.¹⁷ His relationship with the communist movement, as well as with Catholics, has



Walsh's threats of industrial chaos over the National government's plans to abolish compulsory union membership were a somersault on his stand against the militant watersiders in 1951.

Gordon Minihinnick, *New Zealand Herald*, 2 May 1963. New Zealand Cartoon Archive collection, ATL E-549-q-13-201. Reproduced with the permission of the New Zealand Herald



The National Party continued its accusations that the FOL 'bosses' dominated Labour in the 1940s. This 1943 National election poster shows the unionists' hand pushing Labour ministers like pawns on a chessboard. Fraser, Sullivan and Semple are pawns, Nash is the rook and Webb (who loved horse racing) is the knight. The popular left-wing broadcaster Colin Scrimgeour ('Uncle Scrim') is the bishop. By this time Scrimgeour, a strong Labour supporter in the 1930s, had fallen foul of Fraser and had been sacked as head of commercial broadcasting. Scrimgeour stood against Fraser at the 1943 election.

Unionism had been decimated by the Depression but, with compulsory unionism in 1936, the number of unions and their memberships initially both grew. Amalgamations finally checked the number of unions, which peaked in 1951. Only 25 of the 412 unions in 1953 had more than 1000 members; three-quarters of the union movement belonged to the large unions. The Labour Party had a total campaign budget of £44,963 in 1938. Six big unions — the the New Zealand Waterside Workers Federation, the Federated Seamens Union, the New Zealand Workers Union, the Post and Telegraph Workers Association, the New Zealand Hotel Workers Federation and the ASRS — donated over £13,000 or over a third of the £37,000 campaign contributions. By the 1940s the big unions' contributions to the Labour Party had been whittled back.

ATL Eph-B-ROTH-NZ-National-1943-01;



Peter Fraser's appeal to union members to vote Labour on the front page of the *Federation of Labour Bulletin* illustrates the close links between the FOL and the Labour Party. It also shows Labour's emphasis on full male employment and living standards. Although Labour got 47 percent of votes at the 1949 election, it lost eight seats to National.

FOL collection, ATL MSX-2496-2

been a matter of some conjecture.¹⁸ Walsh was Fraser's 'muscle man'.¹⁹ He was the thuggish strongman who had an Industrial Workers of the World (IWW) past and who may have been responsible for the disappearance of at least one or two seamen opponents over the sides of ships into the Tasman Sea.²⁰ His power was based on his control of two unions, the Federated Seamen's Union of New Zealand (1927–63) and the Wellington Clerical Workers Union (1936–60); and he was president of the Wellington Trades Council (1937–63).²¹ Walsh occupied a powerful position on the Stabilisation Commission from 1942 to 1950.²² Cabinet meetings under Fraser included Walsh, and they were said to have been subject to Walsh's train schedules to his Wairarapa farm.²³ Walsh is held to have dominated the Joint Council of Labour, i.e. the regular meetings of the NZLP and the FOL.²⁴ Stoushes in the union movement between the Wellington Trades Council's Management Committee and Tony Neary over the FOL's cases to the Arbitration Court in the 1950s saw the union movement's disagreements bandied about in libel cases before the Magistrates Court.²⁵ Walsh's machinations and political manoeuvrings have long been exposed publicly.²⁶ Indeed, more than any other FOL leader, we have a large body of critical work on Walsh's personality, politics and the inter-union libel cases he was involved in to the point of a full-length biography.²⁷ It seems to agree with one commentator's view:

Walsh was not a pleasant man, he was not particularly well liked, but he was widely respected as an able and effective union leader. It is hard to believe that he maintained his dominance of the trade union movement for so long without grudging respect and support, and that can only be won achieving what workers need.²⁸

Popular stereotypes prevail of a movement increasingly militant according to Walsh's powerful political postures. Cartoons in the 1940s show Labour in the FOL's pocket. The 1936 Political Disabilities Removal Act permitted the big unions, including the Seamen, Watersiders, Railway Workers, Hotel Workers and Postal Workers, whose coffers were swelled by compulsory unionism, to contribute to political parties.²⁹ They did not support the NZLP to this extent in the 1940s, although the FOL continued to call on all unionists to support the NZLP throughout the war.³⁰ The relationship is said to have cooled by the 1950s. It was well-known that Walsh and Fraser's successor as Labour leader, Walter Nash, did not get on at all.³¹ The contrast between the FOL's relationship to the NZLP's first (from formation up to 1949) and second (1957–60) governments has been the subject of some analysis.³²

After Labour lost office in 1949, the FOL was characterised publicly as a wage machine: Walsh was the public face leading the union movement in its almost



This cartoon of Nash and Nordmeyer looking askance at FOL-affiliated unions behaving as pigs fighting at a trough over national income was published in the *Otago Daily Times* on 31 March 1959. Walsh complained to the paper's editors at this 'gross reflection' on the outlook and behaviour of unions. The paper apologised for any unintended offence given. FOL president's speech, 1959. Beaglehole Room, VUW Library

bi-annual GWOS. On 31 March 1959 the *Otago Daily Times* published a cartoon representing FOL affiliated unions as pigs fighting at a trough.³³ Walsh demanded an apology, which was unreservedly given, but the image was commonplace. By the 1960s the media noted 'the strong displeasure of the New Zealand employers at the new militancy of the FOL, and the cartoonists were given fresh practice in converting their version of Walsh from the goodie of yore into an incorrigible baddie.'³⁴ When the Arbitration Court handed down a nil wage order in 1968, the machine was characterised as finally broken.³⁵

Walsh's considerable role in unionism and the FOL from 1937 until 1963 has been well documented by historians, overshadowing the activities of the FOL. The best works are unpublished history theses, especially Pat Walsh's work.³⁶ I would argue that FP Walsh has made it difficult for labour historians to address the wider issues of FOL in its first three decades, the period 1937 to 1967.³⁷ On the

Kenneth McLean Baxter (photographed here in 1950) was the longest-serving officer of the FOL. He was FOL secretary 1944–69; nearly half its history. Like many FOL leaders, Baxter was a man of many contradictions. A Marxist revolutionary in his youth, Baxter led the long, and ultimately successful, campaign to mould the craft and regionally-based printing unions into a national, industry union. In the 1940s and 1950s, Baxter supported Walsh in denouncing left-wing unions as puppets of the Communist Party. In the late 1950s and 1960s Baxter reverted to his Marxist beliefs; he was nicknamed ‘Karl Marx’ Baxter. An under-rated but influential union leader, Baxter was a mentor to many young unionists.

Evening Post collection, ATL 114/188/03



one hand, the FOL was always more than Walsh. When the FOL was formed in 1937, Angus McLagan was elected president and Fred Cornwell was secretary from 1937 to 1944; the latter had been the secretary of the Trades and Labour Council's Federation of Labour, was director of the New Zealand Workers' Printing and Publishing Company, member of the Economic Stabilisation Committee and Commission and a member of the Manpowering Committee.³⁸ Ken Baxter was FOL secretary from 1944 until 1969. Others who took on leadership roles at various times included McLagan, Canham, Cornwell, Roberts, Alex Croskery, Peter Butler, Bill Fox.³⁹ They may not have had the charisma of Walsh, but they were powerful union leaders to a man. Biographers have noted the importance of each of them to the close relationship between the FOL and the NZLP.⁴⁰

On the other hand, little has been written about what the organised workers sought, and, in the process, what was FOL's policy between 1937 and 1967. Politics of personality is one obstacle to considering policy; another is that the FOL's objectives were contradictory from the outset. The FOL had three objectives when it was formed:

1. to promote the organization of all workers to enable them to secure the full value of their labour and the grouping of workers on lines of class and industry;
2. the socialisation of the means of production, distribution and exchange; and
3. to affiliate with the recognized labour organizations in other countries and to co-operate with these organizations in raising the standard of living.⁴¹

From the FOL's formation, not only were the objectives inconsistent in practice, but the workers' movement was not monolithic in support of any of them. AEC Hare estimated that in 1942 about half the unions had fewer than 100 members and were small, powerless and reliant on the arbitration system.⁴² And, as more than one commentator pointed out, industrial unionism was difficult to apply to smaller weaker unions and groups.⁴³ What of the other objectives? Most unions were mainly concerned with living standards between 1937 and 1967. There was more support for gradual raising of the standard of living than there was for socialisation. In this chapter I examine the FOL from 1937 to 1967 by concentrating upon the third, neglected objective, aimed at raising the standard of living.⁴⁴

Pre-war concerns about poverty silenced by wages policy: Stabilisation

It is said that New Zealand's Depression was longer, albeit shallower, than elsewhere. When the NZLP was elected in 1935, as is legend, it introduced compulsory unionism and a welfare state. Labour politicians were keen to particularise New Zealand's depression experience and blame the 'nationalist government', while being keen to internationalise and to take the credit for the high post-war standard of living. During the 1940s the FOL proudly reported, too, that New Zealand's cost of living was among the lowest in the world and attributed that to the NZLP's policies.⁴⁵ By the late 1940s and early 1950s, New Zealand workers were said to have more wealth per capita than either Britain or the United States and sometimes Australia.⁴⁶

At the time it was elected, the NZLP was concerned about poverty. It set about providing the 'necessary factual bases for policy measures of a social nature'.⁴⁷ Dan Sullivan, minister for industries and commerce, called this 'Science in Relation to Social Problems'; he called for a 'more Ordered Knowledge ... more intensive study of the human and social aspects of science.'⁴⁸ Surveys conducted under his auspices in the late 1930s set out to measure the extent of poverty; for instance, the NZLP forced local bodies to conduct the 1936–37 Housing Survey accounting of the housing stock.⁴⁹ Sullivan instituted two new branches of the Department of Scientific and Industrial Research (DSIR) to concentrate on 'science and society'. In April 1937 Evan Parry was appointed chairman of a newly established Bureau of Social Science Research.⁵⁰ WT (Torrance) Doig, the secretary and executive officer of the bureau, published its first major study, *A Survey of Standards of Life of New Zealand Dairy-farmers*, in 1940.⁵¹ It was followed by a survey of tramway employees and a boot and shoe operatives survey, which was conducted but the completed report was never published.⁵² It was intended that the 'scientific'

information it researched would help the government to arrive 'at decisions on policy measures relating, *inter alia*, to wages, cost of living and price control'.⁵³ In 1936 Sullivan had also revived the recently folded New Zealand Standards Institute, making it a branch of the DSIR. Standardisation, especially of quality and price, was a benefit to consumers and would establish standard of living benchmarks.⁵⁴

The advantages to be gained by the application of the principle of standardization to everyday commodities and processes are manifold and, furthermore ensure the intelligent, speedy and economic application of technological progress with resultant benefit to industry and consumer.⁵⁵

Along with JB Condliffe, Doig argued that 'the standard of living of a whole community is too vague' and covered a wide range of disparities distinguishing between individual, group and class standards. Following the theorist T H Marshall, he set out to consider not just consumption but non-material elements: leisure, conditions of work, environment, education, health and length of life. In 1930 GB Fisher had analysed the 1926 census which showed a range of incomes.⁵⁶ New Zealand had a degree of equality not found elsewhere but 'equally much more marked than one would have supposed from popular statements on the subject'. Labour's newspaper was concerned with the disparity of the standard of living between groups.⁵⁷ In 1938 the Social Science Research Bureau contracted Otago University researchers 'to do a series of experiments on low-cost family dietaries' to find the best diet at the lowest cost for a family of two adults and three children.⁵⁸ The bureau contracted Professor Kolb, an American authority, to oversee standards of living surveys.⁵⁹ Such research ended in 1939 when war broke out, and it was not resurrected after the war, as J H Robb has shown, not because it revealed social disparity but for a range of other reasons.⁶⁰ The Social Science Research Bureau was closed and the Standards Institute was transferred from the DSIR to the Department of Industries and Commerce and its work reoriented.⁶¹

Concerns about poverty and unequal distribution disappeared in the wake of World War II, and then a developing wages policy that was targeted at the 'average family'. In the late 1930s, for instance, the NZLP conference discussed the idea that it 'initiate and supervise a cost of living survey' and also

compile statistics showing production of goods, also proportion of production of capital goods compared to consumer goods, and average share each family would receive it divided equally and in relation to accepted minimum stands of living.

presumably with a view to promoting equal shares.⁶² The government had powers in setting minimum wages (if prices were controlled), it influenced living

standards with family benefits, housing, health, education and pension policies and more widely with its monetary policies, but it effectively gave up a direct role in wage-fixing once it laid down the criteria on which the court based its decisions. The discourse of the distribution of wealth which it had promoted before World War II did not emerge again until the 1970s when the GWO system was being cast aside.

The industrial system based on the average 'unit' was promoted along with stabilisation during the war, and this basis continued after the war. All industrial parties wished to avoid the steep price rises during World War I and the concomitant post-war depression in 1920–21. Economic stabilisation regulations were introduced as the Rates of Wages Emergency Regulations in 1940 to provide for stability, through control of wages and prices.⁶³ In late 1942 the Economic Stabilisation Emergency Regulations were introduced and a wartime price index established covering essential commodities and services. Any wage rises had to go through the Arbitration Court. The government subsidised essential commodities to ensure stability and limit price rises.⁶⁴ These measures were largely successful. Prices and wages were in balance and it was not until 1945 that an adjustment was needed under the regulations. The Retail Price Index base was 1000 for 1942 and it had only risen to 1013 by 1947 — just over one percent.

Above all, stabilisation was based on a male breadwinner system and full male employment; the arbitration system awarded the average man in full-time paid employment with a dependent wife and three children a decent basic wage, although the concept of the fair wage for an average family became more notional as the government provided for family allowances.⁶⁵ Australia and New Zealand were conspicuous in their post-war international advocacy of a full employment, male breadwinner system, i.e. a political pledge for full male employment at fair wages. In the wake of World War II there was full male employment throughout the western world.⁶⁶ Australia and New Zealand also strongly advocated a male breadwinner system. Clause 35 of the Australian–New Zealand Agreement (1944) included a resolution to cooperate 'in achieving full employment in Australia and New Zealand.'⁶⁷ The two countries also declared they would cooperate in propagating the policy internationally — indeed it was their main 'article of faith.'⁶⁸ And true to their word Prime Minister Fraser and his deputy Nash for New Zealand, and external affairs minister HV Evatt for Australia, advocated the full employment policy in post-war international forums. Their advocacy was part of the reason that the objective of full (male) employment was written into the United Nations' (UN) Charter, the International Labour Organisation Charter and the Monetary and Financial Conference (Bretton Woods) Agreement of

1944.⁶⁹ Fraser chaired the UN Economic and Social Council in 1944 and moved the full employment clause. He declared that 'for the average man the right to live depended on the right to work.'⁷⁰

The point is that an adequate male breadwinner wage before the 1940s had only been aspirational. Justice Henry Higgins of the Australian federal Arbitration Court gave the male breadwinner wage its most famous definition in his 1907 'Harvester Judgement', when he stated that the basic wage should be sufficient to support a family of five.⁷¹ New Zealand piggybacked on this concept, which was central to its industrial relations.⁷² Research has suggested that most unskilled labourers did not receive a basic wage sufficient to support a family of five in the following decades in Australia.⁷³ The same is true of New Zealand. Most workers were simply not included in the arbitration system until after 1936. Family size was more diverse before World War II than during the post-war period.⁷⁴ Work was seasonal or dependent on the weather and of course there was unemployment.

The FOL was formally committed to the continuance of stabilisation at a time when full male employment was finally realised; it formally chose stabilisation over socialism. If the 1937 FOL conference left the issue of contradictory 'socialisation' versus 'raising living standards' objectives unresolved, then the issue was sorted in 1941. The overwhelming majority of unions at the 1941 FOL conference supported stabilisation and maintaining living standards. The conference endorsed the joint industrial and political labour executives' stabilisation plan by 166 to 26. The Wellington Carpenters' Union made a gallant effort to change delegates' minds. Bill McAra moved but lost his motion:

That the Economic Stabilisation Conference failed entirely to grapple with the fundamental issues and this conference affirms the principle that with the confines of the present economic and social order the standards of living and the social needs of the masses of the people are subservient to the making of profits by the few. This conference, therefore, directs the incoming national executive to direct its efforts to intensive educational work among trade unions with a view to development of demand among the rank and file of the trade unionists and their organisations to effect the necessary changes and achieve Socialism now.⁷⁵

FP Walsh's report to the FOL's national council in 1946, published as *The Walsh Report*, set out FOL policy. Higher productivity was the best way to ensure a higher standard of living.⁷⁶ The FOL conference endorsed stabilisation in 1947.⁷⁷ The FOL executive stated in 1949, 'Capitalism, whether we like it or not, is the system whereby we, in fact, gain the means to live. If we smash it, without bothering whether we are able to replace it with something better, we must destroy our own livelihoods with it.'⁷⁸

The heyday of general wage orders

When stabilisation was gradually withdrawn in the late 1940s the Arbitration Court came to play a more important role; governments, Labour and National, simply did not intervene in issues such as wages relativities or equal pay. The Economic Stabilisation regulations replaced the former 'emergency regulations' in 1949. The National government lifted most subsidies (food subsidies continued) and direct controls in 1949 and 1950. As expected, the cost of living for workers rose. The Retail Price Index (RPI) rose 1.7 in 1949, 5.6 in 1950 and 11 percent in 1951. The evidence on which wages would be adjusted was statistical facts, especially changes in the Consumer Price Index (CPI), although of course there was a difference between RPI and CPI which was the cause for some disagreement over increases. Not surprisingly the FOL established a research office in 1941.⁷⁹ The first FOL research officer was Ray Perry, who was sent to the New Zealand Legation in Moscow as second secretary in 1944. His first article in the *Standard* was a review of Horace Belshaw's *Standards of Living* which made clear his view that Labour had a choice between increasing productivity as a basis for increased standard of living or redistributing the existing 'cake'.⁸⁰ In late 1947 the research officer, Mrs DM Sorrell (who had been a member of the Social Science Research Bureau 1936–39) prepared a report on 'Effective Wages' setting the case that the FOL aimed 'not merely at keeping wages in line with the cost of living but at improving the standard of life generally and effective wage levels in particular' and its view that increased productivity would achieve that.⁸¹

By the late 1950s the FOL was consulting economists but not earlier, and worse, for the first half of the 1950s there was no FOL research officer. Before 1958 Walsh, as FOL advocate, had to find his own assistance in preparing GWO cases. As he complained to a Clerical Workers Association conference,

You have no idea of the amount of time it takes to prepare a case. It is months and months of slogging, getting these figures, having that checked, no research officer. It is a slow job ...⁸²

Others have pointed to the voting strength the clerical workers provided for Walsh within the FOL, but in a more mundane way Noel Pharazyn, Inga Renner, Nan Clark and other clerical union executive members were Walsh's private secretariat.⁸³

The rising cost of living was irrefutable, then, but the extent of catch-up was debatable.⁸⁴ The Employers Federation was better served with researchers than unions were, while the court availed itself of the services of the Government Statistician. The court made clear that company profits and the like would not determine wage adjustments; as indeed it had consistently from 1894. To avoid

a decline in living standards, the legislation was amended to allow the court to adjust wages at its discretion. In 1951 the GWO prescribed an increase of 15 percent determined under the Arbitration Court. The RPI was still high at 7.8 percent in 1952 and 4.6 in 1953. There were further GWOs of 10 percent in 1953 and 13 percent in 1954.

Rather than Walsh personally becoming ideologically distanced from the Labour hierarchy in the later 1950s, the interests of the NZLP and the FOL diverged. John Roberts makes the point that, as a result of the 1951 lockout, the FOL was willing to work with the National government, which recognised it as the sole voice of organised labour.⁸⁵ And one of the concerns was the way in which averages were played around with. Walsh's attack in 1958 on the Labour Finance Minister Arnold Nordmeyer's so-called Black Budget (which cut imports and raised indirect taxes on tobacco, alcohol and petrol) has to be put into the context of the FOL's concern that the restructuring of the CPI in 1957 would have a detrimental effect on unions' ability to secure adequate wage claims. The report of the 1948 Index Committee made it clear that certain things such as expenditure on 'private motoring and on alcoholic liquor', were excluded not just because they were luxuries (for the index was not restricted to essentials) but principally because expenditure varied so greatly between different families.⁸⁶ In 1957 they were added into the index again, meaning that changes in food prices were slightly less decisive. Then the 1958 budget was seen as a direct attack on workers' standard of living through the imposition of regressive, indirect taxes, at a time when a generally accepted principle of the labour movement was that taxation should be progressive, i.e. based on the ability to pay, not the rate of consumption. Nordmeyer was responding to a massive balance of payments crisis not by borrowing overseas but raising monies internally, which meant cutting imports and cutting consumption. Walsh responded to the budget with a statement carried in the daily media and the *Standard* pointing out that the effect of this new taxation would be a 5 percent increase in the CPI by the end of September 1958 which would be added to a 2 percent increase since the last GWO.⁸⁷ When the matter was discussed by the Joint Council of Labour on 15 July the only hope that Nordmeyer could offer was, after an admission that the CPI could well increase by the amount suggested by Walsh, 'that the Government was hoping that it would be offset by strenuous endeavours on the part of the Government to keep the cost of food down.'⁸⁸

When the suggestion had previously arisen in 1956 that an effective wage index should be instituted, the FOL complained that the 'many' wage-earners on the basic award rates would suffer.⁸⁹ The NZLP and the FOL increasingly disagreed

over calibrating the standard of living. This was the cause of disaffection, rather than Walsh's ideological commitment to communism or factional fighting. More generally, the FOL was increasingly concerned that the court was making insufficient attempts to compensate workers for rising wages and promoting a declining standard of living.⁹⁰

The main point is that, after a concern in the 1930s over matters of distribution and inequality, the average wage was focused upon.⁹¹ This was at a time when economists argue that disparity was increasing. Brian Easton, using annual tax data, argued that the share of income of the top ten percent fell from 37.5 percent in 1959–60 to 33.5 percent in 1973–74.⁹² His conclusions are supported by AB Atkinson and Andrew Leigh, who recently argued that the share of income of the top income groups fell in the 1930s, rose again after World War II and slowly declined from the end of the 1950s to the mid-1980s; they suggest the share of the top 20 percent of income earners grew in the immediate post-war period



The role played by Walsh and the FOL in defeating the watersiders in the 1951 lockout is dramatically illustrated in this unpublished cartoon by Neville Colvin.

Gerard Hill collection

and slowly declined from 53 percent in 1956 to 46 percent in 1984.⁹³ Conflict between party and federation grew after 1945 at a time when New Zealand's rich were getting richer.

Pat Walsh on the Walsh Years: outside the Arbitration Court

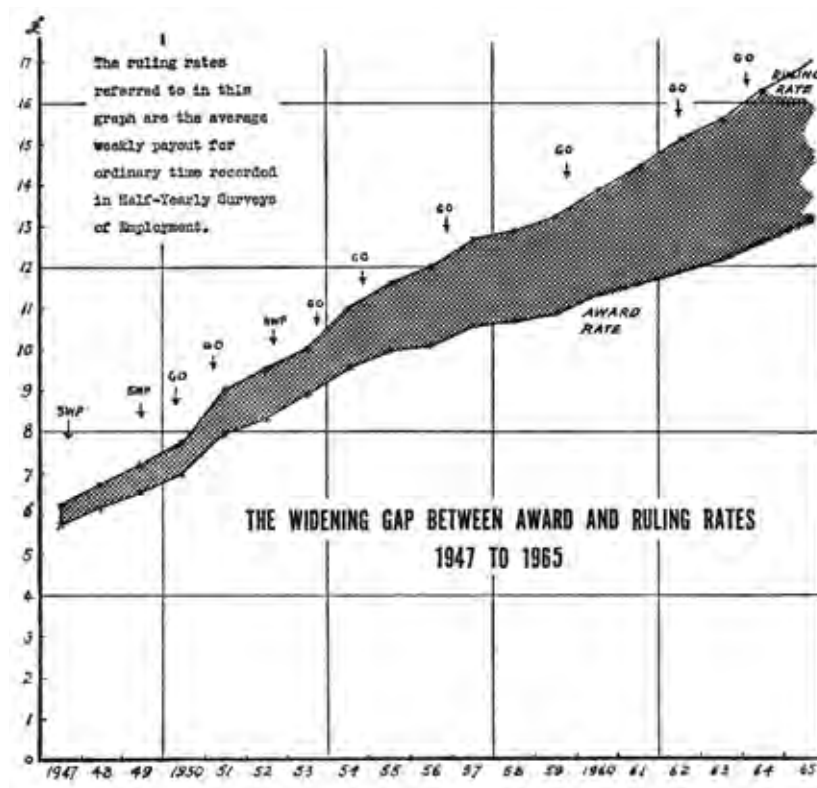
Thanks to Pat Walsh and others we have a good overview of the three-tier wage-fixing system which started to develop from the 1950s.⁹⁴ The watersiders unsuccessfully attempted to avoid the stabilisation legislation by directly negotiating with employers rather than submitting to mediation by the Waterfront Authority.⁹⁵ The FOL was instrumental in the watersiders' defeat in the 1951 lockout. But then a period 'of remarkable industrial harmony' set in with 'negligible levels of unemployment' from 1952 to 1967. Amidst industrial quiescence, strong militant unions and employers quietly agreed upon a complex three-tier wage system.⁹⁶

The first tier consisted of industrial awards and agreements that continued to be negotiated within the system and registered with the court. The wages prescribed by awards and agreements before World War II were fairly comparable with the actual rates paid, what are known as ruling rates. There had been GWOs but in the wake of the 1936 Industrial Conciliation and Arbitration (IC&A) Amendment Act, wages were largely determined by negotiated and arbitrated awards.

The second tier involved bargaining conducted outside the arbitration system. It included single-company, multi-employer and regional agreements. Some of these were registered with the court, particularly single-company agreements, but most were not. They were related to the high post-war investment programme. Actual wages paid varied considerably depending on local labour market conditions.

The third tier involved GWOs. There were two GWOs during the war: in 1940 and 1942. There were six GWOs in the 1950s: 1950 (an interim order), 1951, 1953, 1954, 1956, 1959.⁹⁷ To begin with, GWOs applied only to the basic rates with a cap on how much of a weekly wage they applied to. GWOs did not apply to holiday pay and overtime. Union pressure mounted for GWOs to be automatically linked to second-tier payments and a ratcheting process began.

As a consequence, the slow uneven emergence of this three-tier wage-fixing, amid acute labour shortages, led to 'wage drift' or a developing gap between award rates and ruling rates:⁹⁸ the percentage margin of weekly earnings over nominal or award weekly wage rate rose from 8.1 percent in 1947 to 22.4 percent by 1960.⁹⁹ At the same time there was a compression of wages, with the differences between skilled and unskilled workers decreasing over time.¹⁰⁰ The Arbitration Court's Standard Wage Pronouncements (SWPs) set a margin or differential in



'Wage drift' — the gap between award wages and the wages that workers were actually paid — grew steadily during the 1950s and early 1960s. Between 1947 and 1965 the margin of ruling or paid rates over award rates rose from 8.1 percent to 30 percent.

Report on General Wage Orders and other wage-increase procedures in New Zealand, Inter-departmental committee, Wellington, 1966, p 12.

wages for different skill levels. SWPs need to be distinguished from GWOs. SWPs not only set margins between unskilled, semi-skilled and skilled workers; they were an indication to unions and employers of the court's policy. The 1952 SWP, however, was the last one the court made. Given that the GWOs only applied to basic hourly wage rates, low-paid and unskilled workers' effective wages crept up in relation to skilled workers. The differential had been 34.9 percent in 1909, 25.8 in 1919, 17.9 in 1937 and 16.7 in 1952. It rose to 21.2 percent in 1960 but not to the 1919 differential, let alone that of 1909.¹⁰¹ The FOL was concerned about this and brought an unsuccessful 'Margins for Skill' case to the Arbitration Court to re-establish the 25 percent margin existing in 1919 for skilled workers

over unskilled workers.¹⁰² Meanwhile the real value of wages declined between 1955 and 1960 while this complex system emerged.¹⁰³ And, at the same time, more fundamental changes still were occurring.

Changing work and workers

All three themes — wage drift outside the Arbitration Court amid labour shortage, the extent of the compression of wages, and the frustrations with the stabilisation system — were greater in the post-war period 1945 to 1967 than has been generally acknowledged because the discussion has not considered women's position, and to a lesser extent Maori.

Union membership rose and diversified and conditions improved during the first Labour government's term.¹⁰⁴ There was a growth in white-collar and other areas of female employment, especially for married women. New Zealand had a labour shortage so desperate that the government and employers were prepared to relax the male breadwinner system.¹⁰⁵ The participation rate of married women, especially in part-time work, rose from 3.7 percent in 1936 to 7.7 percent in 1945, 9.7 percent in 1951, 12.9 percent in 1956, 16.0 percent in 1961 and 19.9 percent in 1966: i.e. a more than five-fold increase in thirty years.¹⁰⁶

These years also saw the massive inclusion of Maori into the wage system, which resulted in a type of wage compression. In 1945 three-quarters of the Maori population was rural. The Maori workforce went through an almost total industrial transformation in the three decades after 1945.¹⁰⁷ The point is that, while Maori often found themselves at the bottom of wage scales, skilled and unskilled differentials narrowed at this time. Gender rather than race threatened the basic wage.

The FOL was only too aware of working women, but Maori equality in the workforce was not an issue before the 1970s. The FOL struggled with the problem of equal pay. Some affiliates, such as the Clerical Workers, pushed hard. The Minister for the Welfare of Women and Children, Dame Hilda Ross, was lambasted in 1956 for being 'out of touch with existing conditions' when she said that there was 'no need for married women to work in New Zealand.'¹⁰⁸ Indeed, the FOL discussed the tyranny of averages in its 1962 survey of household budgets. It pointed out that an important differential of budgets was whether the 'wife works'.¹⁰⁹ Walsh's address on *The State of New Zealand's Economy* noted that 'Information received so far bears out the contention of unionists that the minimum wage rates now being paid are insufficient to enable a family man to live on his earnings on a forty-hour week.' Salary and wage earners had found that they need to 'work longer hours to take a part-time job, or else their wives must go to work in order to maintain



In 1975 — the International Women's Year — the FOL decided to set up a women's advisory committee. This was not elected but appointed by the FOL executive. Pictured here are the members of the committee during their first meeting on 12 February 1976 with FOL secretary Jim Knox (centre) and research officer Dave McDonald. From left: Hilary Jones (Caretakers & Cleaners and Laundry Workers), Nelly Bell (Clerical Workers), Margaret Flanagan (Clerical Workers and Labourers), Eileen Crawford (Woollen Mills) and Margaret Hatwell.

Dominion Post collection, ATL EP/1976/0594/6A

their living standards.¹¹⁰ And the FOL did not want to facilitate this, or more particularly to support equal pay.¹¹¹ The tax regime was changed in 1953 over its protests. Until 1953 the basic tax unit was a married couple living together with dependent children. After 1953–54 the tax unit was the individual. The FOL argued that this was an encouragement for married women to enter the workforce. It was committed to a male breadwinner and full male employment system.

In the standard wage hearing before the Arbitration Court in August 1947, the FOL sought among other things an increase in the female rate as a proportion of the male rate, from 60 percent to 90 percent.¹¹² This was the first union-wide attempt to narrow the gendered wage differential. The FOL argued that the 'question of equal pay is quite divorced from that of family and dependent benefits. Dependent differentials are properly provided by separate benefits unrelated to wages' — i.e. the universal family benefit of 1946 and tax concessions that had

existed since 1914. It wanted male rates to be paid to women 'performing work normally performed by adult male workers'.¹¹³ From this point, organised labour slowly began to support 'the rate for the job'. Separating concerns about men supporting wives and children on low wages from the call for equal pay was the first major post-war success for the equal pay movement.

Support for the male breadwinner wage competed with calls for justice for women in paid employment. The 1947 FOL request for a female rate of 90 percent of the male rate was rebuffed, as was its application for an effective female rate of about 70 percent in 1949.¹¹⁴ There was some suggestion that the FOL believed that if an employer had the choice between male and female workers at the same rate, he would choose male employees. The Clerical Workers Union supported equal pay in 1942, sought it in 1946 and made a strong claim for it in 1949; and the Clothing Trade Employees Federation did so a year later.¹¹⁵ The FOL in its 1950 GWO application sought minimum wage rates for adult females to be increased by 75 percent of the increase granted to adult males, but was again unsuccessful.¹¹⁶ The New Zealand Trade Union Congress, the FOL's militant rival during 1950 and 1951, was no more successful when it applied for adult females to receive the same increase as adult males. In the 1952, 1954 and 1956 GWO hearings the FOL continued to request a 75 percent ratio for adult females, and was turned down each time.¹¹⁷ In its 1959 general wage case the FOL made an impassioned plea for equal pay as a general principle since amending 'awards to provide for equal basic rates of pay for men and women ... [was] outside the scope of this application.' It argued that 'The fact is that differentiation between men and women in the matter of wages is an unjustified survival of beliefs in a less enlightened age.'¹¹⁸ Although the New Zealand workers' representative at the 1951 ILO conference had voted for the Convention on Equal Remuneration, and FOL support for 'the rate for the job' was confirmed at annual conferences and in the standard and general wage cases, this was as progressive as the union movement got. Most unions did not seek equal pay.

For its part, the court had turned down the applications as being not just or fair under the Economic Stabilisation Regulations, which it interpreted as authorising the court 'to amend awards and agreements for the purpose only of restoring or preserving a proper relationship between the rates of remuneration of various classes of workers.'¹¹⁹ The court had done nothing to create the gendered differentials in the first place; nor was it taking any initiative to dismantle them. It rejected the FOL's 1947 application because it represented 'a drastic departure from past and present industrial practice' in New Zealand. In the absence of equal pay legislation, the court worried that equal pay would cause unnecessary inflation

pressures as women's 'spending-power' rose without increased productivity.¹²⁰ The result would be economic instability and industrial unrest, which would upset post-war stabilisation.

In the 1950s the court was troubled by the implications of extending social security, the gradual rise in the female wage as a proportion of the male wage, and the increasing difficulty of defending any social or family element in male wage rates. The IC&A 1936 had defined the basic male wage as sufficient to provide for the needs of a man, his wife and three children. In its 1952 SWP judgement, the court rejected the view that the family wage was materially affected by the 1946 introduction of the universal family benefit, which provided for children regardless of wage. It also stated that the Minimum Wage Act 1945, and its amendments in 1947 and 1949 (all of which raised the female wage as a proportion of the male wage) did not suggest that the 1936 basis for wage-fixing needed to be altered. Yet the rise in official minimum rates for women, from 47 percent of the male rate in 1936 to 66 percent in 1949, was a significant narrowing of the gendered



The FOL national executive, 1959. *Back:* Harry Thompson (Plumbers), Jim Napier (Watersiders), Len Hadley (Photo Engravers, Motion Picture Projectionists, Tobacco Workers) and Frank Fenton (NZ Workers Union). *Front:* Ken Baxter (secretary), Fintan Patrick Walsh (president) and Tom Skinner (vice-president). Skinner, the president of the Auckland Trades Council, defeated four opponents to be elected vice-president in 1959. He was not a Walsh supporter and Walsh distrusted him. They eventually established an uneasy working relationship.

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wage gap. In 1952 the Minimum Wage Act was amended and gendered wage differentials were dropped. Yet in the following year the Arbitration Court gave men a higher wage increase than women, effectively widening the gap again. After protests the relativity was restored in 1954 in separate public and private sector tribunals. In 1954 the basic wage clause in the IC&A was dropped, and was never reinstated.¹²¹ Yet despite 'creeping' wage equality and the removal of the legal requirement to differentiate by gender, the court would not concede equal pay while the government remained committed to economic stabilisation.

The FOL continued to be half-hearted about equal pay until the late 1960s.¹²² Most of its energies went into securing the highest male breadwinner wage possible within the court. Wage scales were compressed, not just between skilled and unskilled, but also male and female. Much of this compression occurred outside the Arbitration Court. The skill margins decreased from 25.8 percent in 1919 to 16.7 percent in 1950, while it rose to 21.2 percent in 1960. The FOL remained concerned that the gap had fallen over time and in 1965 brought an unsuccessful 'Margins for Skill' case, arguing that the differential ought to be restored to something like the 1919 figure, which it claimed had been 35 percent. The court refused although it increasingly took into account 'qualification payments' case by case. Meanwhile the gender differential narrowed much more dramatically than that of skill. Men's wages were officially 53 percent more than women's in 1936, 34 percent in 1949, with most estimates suggesting it was down to 30 percent by 1970 even before equal pay. In 1960 the differential (nominal as opposed to ruling of course) between men's and women's wages in the public service was abandoned with the passing of the Government Service Equal Pay Act. This, however, was outside the arbitration system. Any change to equal pay had to come from outside the stabilisation system and without FOL sanction. It was committed to a male breadwinner and full male employment system and opposed the rise in women's workforce participation.

Meanwhile another group of women, a number of whom were FOL members, was taking a different tack and their organisation also indicates the extent of general change. Housewives' unions and women's groups had protested against the rising cost of living for families when stabilisation was lifted in 1949 and 1950. In the 1960s they complained about the taxation regime on married women who were 'assisting in industrial productivity' but not receiving the rewards. It amounted to taxation without benefit.¹²³ However, housewives unions' membership was declining by the 1960s while broader consumer groups emerged.¹²⁴ A national consumer conference in Wellington in 1958 led to the establishment of a government 'quango', the Consumer Service, consisting of

nine members of the public, including the FOL secretary, F P Walsh and several 'housewives' representatives, together with four government department heads (of Health, Labour, Scientific & Industrial Research and Industries & Commerce). It was meant to be non-political and independent of government direction. It was superseded by the Consumers Institute in 1964, which concerned itself with standards.¹²⁵ A second 'consumer' group was concerned with 'bread and butter' cost of living issues and the 'crisis of inflation' facing that New Zealand families. Flo Humphries founded the Campaign Against Rising Prices (CARP) in 1966 with a membership consisting mostly of housewives and working mothers.¹²⁶ The movement crossed the Tasman – Phyllis Johnson and Vilma Ward formed CARP groups in Australia in the 1970s.¹²⁷

Humphries was secretary of the Auckland Drug Factories Employees Union, delegate to the Auckland Trades Council and FOL conferences, and later the first woman to represent the FOL overseas in 1971. She campaigned for equal pay and against the rising cost of living. In November 1966 she was one of five women who placed an advertisement in the *Auckland Star*, asking 'Who wants to do something about high prices?'¹²⁸ Humphries was elected president of the new organisation at its inaugural public meeting. CARP aimed to protect consumers and achieve price stability. Like the FOL, its members complained that high prices were disrupting decent family life; husbands were working long hours to make ends meet and mothers were 'going out to work'. CARP had more success with keeping prices down than it did over stemming the flow of women into paid employment.

Conclusion

The FOL has always been regarded as masculinist and thereby committed to a high standard of living based on a high male breadwinner wage. It was deeply ironic for there to have been major improvements in women's wages between 1937 and 1967, so often overlooked because data collection was based on men's position. Writers such as Richard Edwards and Ross McKibbin have emphasised the underlying tension about changing internal relations within the labour movement as much as relations without.¹²⁹ The FOL's strategy of seeking the highest male breadwinner wage to achieve the highest standard of living came under increasing pressure by the late 1960s. Of course a range of women's organisations led by the Federation of New Zealand Housewives (formed in 1957) and CARP supported FOL strategy. Ironically, however, women in paid employment, particularly married women working in the growing white-collar jobs, worked against FOL objectives in the years in which Walsh was president both of the FOL and the Clerical Workers

Union. The institution of family benefits and the ending of the post-war baby boom also undermined the FOL strategy. In 1955 only 12.1 percent of the total male adult and married wage and salary earners were married men with three or more dependent children.¹³⁰

The pressures on the GWO system were mounting more generally, however, not just the 'wage unit'. The compression of wages, especially the margin for skills, the growing capacity of some employers to pay more in a time of labour shortage, the frustrations of an increasing number of unions and employers with the arbitration system and the politics of indexing all conspired against the system that governments, employers and the FOL had constructed in the immediate post-war years.

Notes

- 1 Tom Bramble (ed), *Never A White Flag: The Memoirs of Jock Barnes*, Wellington, Victoria University Press, 1998.
- 2 National Party propaganda, 1946 and 1949 elections, ATL.
- 3 For an excellent contemporary discussion of stabilisation see H Belshaw, 'Stabilisation policy in New Zealand', *International Labour Review*, vol 49, no 3, March 1944, pp 298–322.
- 4 In 1942 the Economic Stabilisation Commission members were: A T Donnelly, CMG (chairman of the Commission, barrister and chairman of the Bank of New Zealand), Hon Angus McLagan (MLC and Minister of Industrial Manpower), F P Walsh (FOL), Fred Cornwell (FOL), William Marshall (Dairy Industry Council), C V Smith (New Zealand Manufacturers' Federation).
- 5 H Belshaw, 'Import and Exchange Control in New Zealand', *Economic Record*, December 1939, pp 173–86.
- 6 There were few women active in the FOL between 1937 and 1963. See Melanie Nolan, 'Nada Hazel Clark', *DNZB*, vol 5, pp 104–5. Melanie Nolan and Shaun Ryan, 'Transforming Unionism by Organizing? An examination of the gender revolution in New Zealand trade unionism since 1975', *Labour History*, no 84, May 2003, pp 89–111.
- 7 There were precedents. The War Legislation and Statute Law Amendment Act, 1918, gave the court the power to amend awards and agreements while in currency; the IC&A Amendment Act 1921–22 gave the court the power to issue general orders but lapsed in 1923, was revived in 1925 but no other general decisions were made until 1931. The Finance Act 1931 allowed the court to make a general order but the arbitration system was virtually suspended in 1932. The court had power to make general orders under the Industrial Conciliation and Arbitration Amendment Act; during the war there were only two general orders because of the success of stabilisation. The court's powers of fixing general wages orders were embellished under the Economic Stabilisation Regulations 1953 made under the Economic Stabilisation Act 1948, and there were regular GWOs in the post-war period as stabilisation was relaxed.
- 8 W A E Green, J L Roberts, J J Loftus, *An Examination of the Role of the Arbitration Court in Fixing Wage Rates in New Zealand*, Wellington, Victoria University College, 1955, p 1. My thanks to Peter Franks for drawing my attention to this study, a copy of which is held in the Department of Labour library in Wellington.
- 9 John Roberts, '1951. The Storm before the Calm', *New Zealand Listener*, 29 May 1976, p 16.
- 10 H O Roth, *Trade Unions in New Zealand: Past and Present*, Wellington, Reed Education, 1973.
- 11 Peter Franks, Chapter Three above.
- 12 The inaugural FOL executive was F P Walsh, A McLagan, R Eddy, E Canham and Fred Cornwell, *Standard*, 20 April 1937, p 7, BR.

- 13 N S Woods, *Industrial Conciliation and Arbitration in New Zealand*, Wellington, Government Printer, 1963.
- 14 Bramble, *Never A White Flag*.
- 15 Bruce Macdonald Brown, 'Walsh [Tuohy], Fintan Patrick (1896–1963)', *Encyclopedia of New Zealand*, Wellington, 1966.
- 16 Dean Parker, 'Power Profile: The Black Prince, Fintan Patrick Walsh', *Metro*, May 1988, pp 126–35.
- 17 See Walsh 'Dispute within the Trade Union Movement' and his criticism of the 'Groupers' — Tony Neary, Peter Butler and Des Nolan in Dispute within Trade Union Movement, 18 August 1959, FOL Archives, MS Papers 4100, ATL 41/5.
- 18 Malcolm MacLean, 'The Perplexing Rapprochement: Fintan Patrick Walsh and the Communists, 1958–1959', 489 research essay, VUW, 1989.
- 19 Michael King and Michael Bassett, *Tomorrow Comes the Song: A Life of Peter Fraser*, Auckland, Penguin, 2000.
- 20 Conrad Bollinger, *Against the Wind: The story of the New Zealand Seamen's Union*, Wellington, NZ Seamen's Union, 1968.
- 21 Pat Walsh, 'Walsh, Fintan Patrick 1894–1963', *DNZB*, vol 4, Wellington, 1998, pp 551–53.
- 22 Roth, *Trade Unions in New Zealand*, p 62.
- 23 Woods, *Industrial Conciliation and Arbitration*, pp 132–33.
- 24 Having said that, the meeting on 30 May 1951 during the waterfront lockout was described as 'icy'. Michael Bassett, *Confrontation '51: The 1951 Waterfront Dispute*, Wellington, A.H. & A.W. Reed, 1971, p 179.
- 25 Tony Neary and Jack Kelleher, *Neary, The Price of Principle*, Auckland, Harlen Publishing, 1986.
- 26 Peter Franks, 'Hurrah Hurrah, for F. P. Walsh? The Clerical Workers' Union 1938–1960' in Pat Walsh (ed), *Trade Unions, Work and Society: The Centenary of the Arbitration System*, Palmerston North, Dunmore Press, 1994, pp 127–54.
- 27 Graeme Hunt, *Black Prince: The Biography of Fintan Patrick Walsh*, Auckland, Penguin, 2004.
- 28 MacLean, 'The Perplexing Rapprochement', p 35. See a similar, earlier assessment, Roth, *Trade Unions in New Zealand*, p 88.
- 29 T W Bentley, 'Trade Union Financial Assistance to the New Zealand Labour Party 1930–1960', MA research essay, University of Auckland, 1973, p 20. The national unions were the NZ Waterside Workers Federation, the Federated Seamen's Union of NZ, the NZ Workers Union, the Post and Telegraph Workers Association, the NZ Hotel Workers Federation and the Amalgamated Society of Railway Servants.
- 30 For example, *Standard*, 21 June 1941, BR.
- 31 Tom Skinner and John Berry, *Man to Man*, Christchurch, Whitcoulls, 1980, pp 97–8. Keith Sinclair, *Walter Nash*, Auckland, Auckland University Press, 1976, pp 276–77.
- 32 Bollinger, *Against the Wind*, pp 242–43.
- 33 *Otago Daily Times*, 31 March 1959, FOL's President's Speech. 1959, BR.
- 34 Bollinger, *Against the Wind*, pp 242 and 243.
- 35 Pat Walsh, 'An "unholy alliance": The 1968 Nil Wage Order', *New Zealand Journal of History*, vol 20, no 2, 1994, pp 178–93.
- 36 Patrick John Walsh, 'The Rejection of Corporatism: Trade Unions, Employers and the State in New Zealand, 1960–1977', PhD thesis, Minnesota, 1984.
- 37 A contrary view that seeks to argue that New Zealand industrial relations ought to be viewed through personalities is given by Jo Burton, 'Changing the Rules. The Nil Wage Order and New Zealand Industrial Relations in the 1960s', MA thesis, VUW, 2001.
- 38 Melanie Nolan, 'Cornwell, Frederick Daniel', *DNZB*, vol 4, pp 112–13.
- 39 See, for instance, 'Labour personalities No 4', *Standard*, 26 May 1938, p 8.
- 40 John E Martin, 'Cook, Arthur James', *DNZB*, vol 4, 105–6, Anna Green, 'Roberts, James', *DNZB*, vol 4, pp 434–36, Kevin Hince, 'Croskery, Alexander Wellington', *DNZB*, vol 4, pp 119–20, Len Richardson, 'McLagan, Angus', *DNZB*, vol 4, pp 319–21, John E Martin, 'Eddy, Richard', *DNZB*, vol 4, pp 112–13 and Kerry Taylor, 'Baxter, Kenneth McLean', *DNZB*, vol 4, pp 40–1. For instance, while F P Walsh was appointed to the Stabilisation Commission and Industrial Emergency Council and the Hours Committee, he was only one of a number of FOL officers and executive members and members of leading affiliates that the Labour government appointed to its councils and committees in an honorary capacity to give effect to its policies during the war. These appointments included: E Eddy, Fred Cornwell, W Clarke, S Thompson, P E Warner, F G T Young,

- D Stalker, R A Brooke (Industrial Emergency Council); Fred Cornwell and P E Warner to the Hours Committee; Fred Cornwell and P E Warner (Apprenticeships Committee), R Eddy (National Council for Primary Production), R Eddy, Adam Black, W Clarke (Repatriation Committee), F G Young (Supply Council) R Eddy, Francis Allerby, J Moulton, Peter Butler (National Building Committee). Report on Officers and Executive Members' Appointments, pp 4–5, FOL, 7th Annual Report, 1944, FOL Annual Reports, 1938–50, MS X2411 2/1, ATL.
- 41 Constitution and Rules of the New Zealand Federation of Labour, Wellington, 1937, p 1, 94-106-51/01, ATL. See also *Standard*, 22 April 1937.
- 42 A E C Hare, *Report on Industrial Relations in New Zealand*, Wellington, Victoria University of Wellington, 1946 pp 179.
- 43 *Standard*, 12 June 1941, p 6.
- 44 For instance, Bert Roth only cites the first two objectives in *Trade Unions in New Zealand*, p 58.
- 45 *Standard*, 8 May 1947, cover.
- 46 United Nations, *Per Capita National Product of 55 Countries 1952–54*, New York, United Nations, 1957; J A Dowie, 'A Century-old Estimate of the National Income of New Zealand', *Business and Archives History*, vol 21, 1966, pp 117–31.
- 47 *Evening Post*, 18 March 1937.
- 48 *Standard*, 31 January 1937, p 7.
- 49 1936–37 Dunedin Housing Survey and 1937 Wellington Housing Survey.
- 50 *Evening Post*, 18 March, 20 and 21 April 1937. The committee consisted of Elizabeth Gunn, C E Beeby, E H Langford, E Marsden, G H Ormond Wilson MP and D Wilson and held its inaugural meeting on 20 April 1937.
- 51 *Evening Post*, 21 July 1937. W T Doig, *A Survey of Standards of Life of New Zealand Dairy-farmers*, Wellington, 1940. See also H Belshaw, 'The Economic Position of the Farmer in New Zealand', *Economic Record*, vol 4, 1928, pp 55–70.
- 52 I am indebted here to Samantha Campbell, 'Why does, W.T. Doig's *A Survey of Standards of Life of New Zealand Dairy-farmers* (1940), exist?' 424 essay, VUW, 2007.
- 53 *Evening Post*, 29 August 1938.
- 54 Ibid, 17 September 1936 and 17 February 1937. See also the DSIR Annual Report, 1937.
- 55 *Evening Post*, 13 August 1938. The Advisory Council consisted of: A R Galbraith (chair), G A Pascoe, W B Sutch, F B Stephens, W L Newnham, S H J Spidey, W W Mulholland, E Marsden, L J Schmitt, J T Spears, J Read, W Donovan, G A Lawrence, H C Morton, A Wyles and F Wilton.
- 56 10% of the adult population which received income had an average weekly income of £7 or more; 8.1% earned less than £52, 27.3% earned £52–154, 19% £155–207; and 30% £208–311; 5.3% £312–363.
- 57 See W T Doig, *Standard*, 28 January 1937, p 8: 'Standard of Life in New Zealand. Distribution, Not Production, the Problem. Remarkable Disparity in Incomes and Sizes of Family.'
- 58 It was published in the *Journal of Science and Technology*.
- 59 *Evening Post*, 16 December 1938.
- 60 Leslie Lipson, *The Politics of Equality*, Chicago, Chicago University Press, 1948, p 392, suggested that the minister found the research that had shown inequality unpalatable and he closed the unit. For an extended refutation, see J H Robb, *The Life and Death of Official Social Research in New Zealand 1936–1940*, Occasional papers in sociology and social work, VUW, no 7, 1987.
- 61 *Evening Post*, 6 April 1939.
- 62 Ibid, 20 April 1938.
- 63 Woods, *Industrial Conciliation and Arbitration*, p 148.
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About the contributors

Erik Olssen is Emeritus Professor and former head of the History Department, University of Otago, having taught New Zealand and American history for over 30 years. He is the author of over 60 books and papers including *The Red Feds: Revolutionary Unionism and the New Zealand Federation of Labour, 1908–1914* (1988), *Building the New World* (1995), the co-edited *Class, Gender and the Vote: Historical Perspectives from New Zealand* (2005) and the co-authored *Class and Occupation: The New Zealand Reality* (2005).

Peter Franks is a mediator with the Department of Labour. He has worked for trade unions as a journalist, researcher, administrator and advocate, including the Clerical Workers Association, the Seamen's Union and the Council of Trade Unions. He is a former secretary of the Trade Union History Project and is a committee member of the Labour History Project. He has published numerous articles on New Zealand labour history and is the author of *Print and Politics* (2001).

Melanie Nolan is Professor of History, Director of the National Centre of Biography and General Editor of Australian Dictionary of Biography at the Australian National University, after spending 16 years teaching New Zealand history at Victoria University of Wellington. She is author of *Breadwinning: New Zealand Women and the State* (2000) and *Kin: A Collective Biography of a New Zealand Working-class Family* (2005). She is a member of the editorial boards of *Labour History* and the *Labour History Review*.

Ray Markey is Professor of Employment Relations and Director of the New Zealand Work & Labour Market Institute at the Auckland University of Technology, after spending a number of years teaching industrial relations in the Department of Economics at the University of Wollongong. He has written seven books on industrial relations and labour history, edited seven more books (some jointly), and has published over 100 articles in international and Australian journals and edited books, including with *The Making of the Labor Party in NSW, 1880–1900* (1988), and *Peak Union Councils in Australia: Origins, Purpose and History* (2004). He is a member of the editorial boards of *Labour History*, *International Journal of Employment Studies*, *Qualitative Research in Accounting and Management*, and *Working USA*.