CHAPTER FOUR

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

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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 Stablisation 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 F P 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, F P 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 F P 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 Minhinnick, *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.

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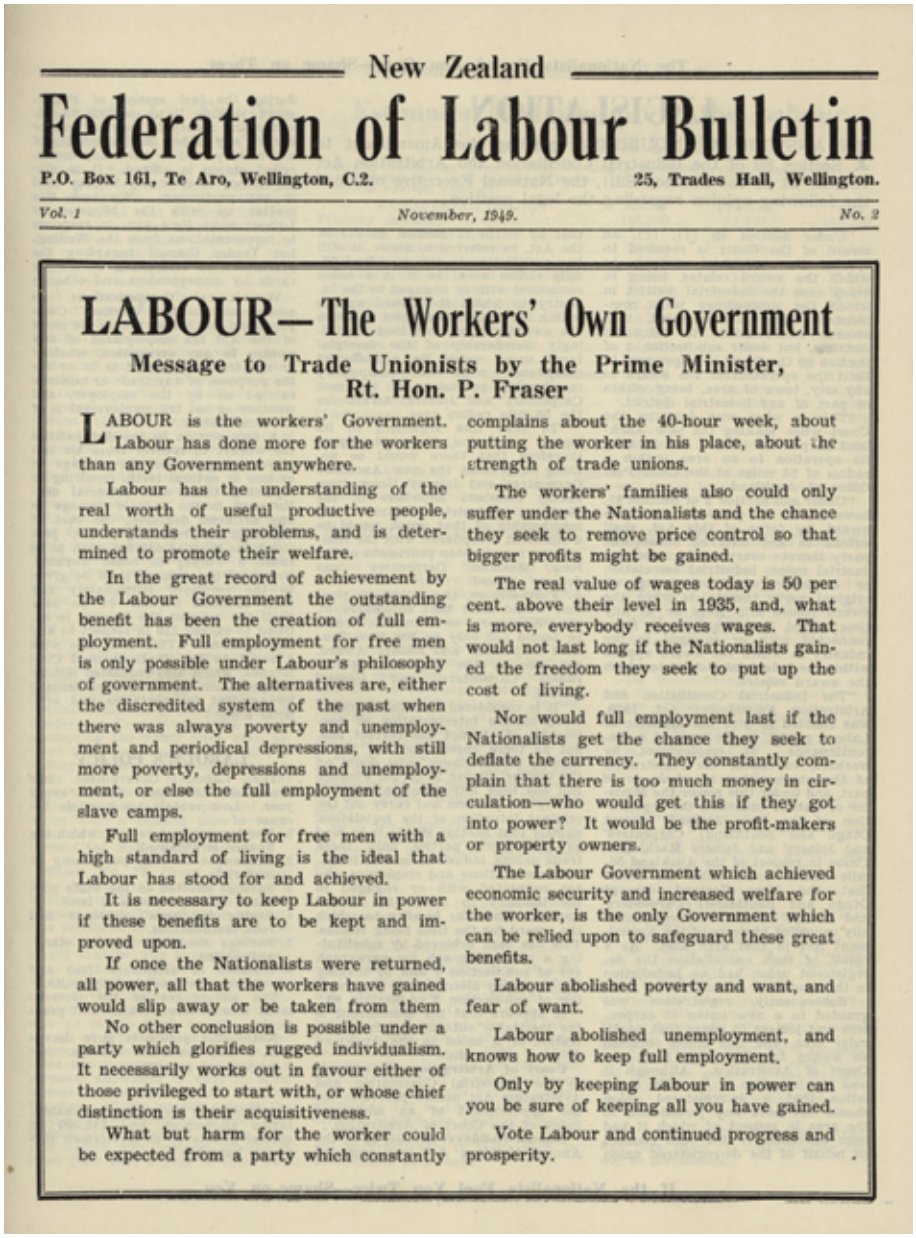

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LABOUR—The Workers' Own Government

Message to Trade Unionists by the Prime Minister, Rt. Hon. P. Fraser

LABOUR is the workers' Government. Labour has done more for the workers than any Government anywhere.

Labour has the understanding of the real worth of useful productive people, understands their problems, and is determined to promote their welfare.

In the great record of achievement by the Labour Government the outstanding benefit has been the creation of full employment. Full employment for free men is only possible under Labour's philosophy of government. The alternatives are, either the discredited system of the past when there was always poverty and unemployment and periodical depressions, with still more poverty, depressions and unemployment, or else the full employment of the slave camps.

Full employment for free men with a high standard of living is the ideal that Labour has stood for and achieved.

It is necessary to keep Labour in power if these benefits are to be kept and improved upon.

If once the Nationalists were returned, all power, all that the workers have gained would slip away or be taken from them

No other conclusion is possible under a party which glorifies rugged individualism. It necessarily works out in favour either of those privileged to start with, or whose chief distinction is their acquisitiveness.

What but harm for the worker could be expected from a party which constantly complains about the 40-hour week, about putting the worker in his place, about the strength of trade unions.

The workers' families also could only suffer under the Nationalists and the chance they seek to remove price control so that bigger profits might be gained.

The real value of wages today is 50 per cent. above their level in 1935, and, what is more, everybody receives wages. That would not last long if the Nationalists gained the freedom they seek to put up the cost of living.

Nor would full employment last if the Nationalists get the chance they seek to deflate the currency. They constantly complain that there is too much money in circulation—who would get this if they got into power? It would be the profit-makers or property owners.

The Labour Government which achieved economic security and increased welfare for the worker, is the only Government which can be relied upon to safeguard these great benefits.

Labour abolished poverty and want, and fear of want.

Labour abolished unemployment, and knows how to keep full employment.

Only by keeping Labour in power can you be sure of keeping all you have gained.

Vote Labour and continued progress and prosperity.

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 Seamens 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 F P 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. A E C 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 J B 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 G B 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 H V 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 stablisation 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 Stablisation 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]

F P 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 D M 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 A B 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

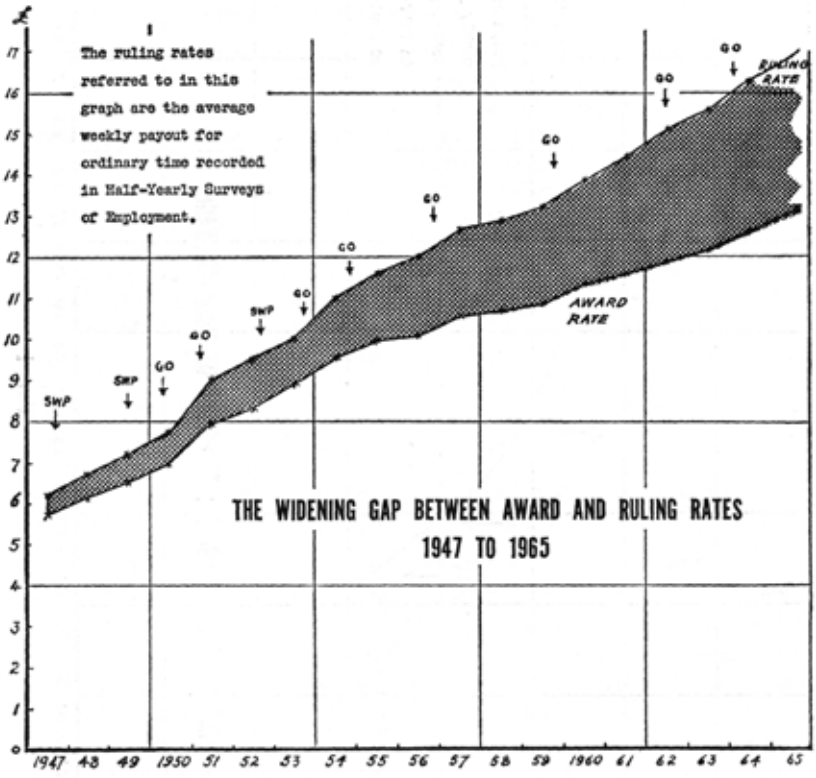
Thanks to Pat Walsh and others we have a good overview of the three-tier wage-fixing system which started to develop from the 1950s.[94] The watersiders unsuccessfully attempted to avoid the stabilisation legislation by directly negotiating with employers rather than submitting to mediation by the Waterfront 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 equaly 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.
CTU

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 Donavan. 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% earnt less than £52, 27.3% earnt £52–154, 19% £155–207; and 30% £208–311; 5.3% £312–363.

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71 *Commonwealth Arbitration Reports,* 2, 1907–8, pp 3–17, Ex parte, H V McKay.
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75 *Standard*, 17 April 1941, p 9.
76 F P Walsh, *Economic Stabilisation in the Post-war World* (Report to the Federation of Labour), Wellington, NZ Federation of Labour, 1946. See also Otago Trades Council, *Analysis of the Walsh Report 1946*, Dunedin, Otago Trades Council, 1946, S W Scott, *Communist Wage Policy and the Walsh Report*, Auckland, National Executive, NZ Communist Party, 1946. New Zealand Fabian Society, *Stabilisation or Socialisation*, Wellington, NZ Fabian Society, 1948.
77 FOL, Minutes of the Tenth Annual conference, 1947.
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79 Hare, *Report on Industrial Relations in New Zealand*, pp 188–189. The research office existed 1941–49. The *New Zealand Federation of Labour Bulletin* was established in 1949. In 1956 a research officer was again appointed. Dave McDonald filled the role for 23 years until 1978. McDonald prepared all the general wage orders; eight cases from 1956 until 1970 and then a ninth in 1977. He handled other cases such as the price of butter and the restoration of margins for skill case in 1965 and represented the FOL in various council and committees — on decimal coinage, the Consumer Council, Vocational Training, the Metric Board, productivity, National Development Conference, superannuation and equal pay. He attended conferences and committees overseas including the ICFTU in Singapore and Taiwan and the OECD in Paris. *New Zealand Federation of Labour Bulletin,* vol 8, no 17, September 1978.
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81 *Standard,* 4 December 1947.
82 Franks, 'Hurrah Hurrah, for F. P. Walsh?', p 139.
83 Peter Franks, 'Pharazyn, William Noel 1894–1980', *DNZB,* vol 4, pp 404–5.
84 Under the Economic Stabilisation regulations the FOL was obliged to justify claims for general wage orders by presenting evidence dealing with changes in the Consumer Price Index; economic conditions affecting finance, trade and industry; changes in the volume and value of production in primary and secondary industries; relative movements in incomes of different sections of the community and all other factors which the Arbitration Court deemed relevant. The first criteria was generally held to be the most important. D L Mathieson, *Industrial Law in New Zealand*, Wellington, Sweet & Maxwell, 1970, p 373, Alexander Szakáts, *Trade Unions and the Law,* Wellington, Sweet & Maxwell, 1968, pp 48–9.
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