

# LABOUR RELATIONS IN NEW ZEALAND AGRICULTURE

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## INTRODUCTION

There is a dearth of sociological studies of hired farm workers even though they are a significant element in many societies [Newby 1982]. For New Zealand, a country whose economic survival has depended on its agricultural industry, the social situation of farm workers is relatively unknown [Gill & Gill 1975, Harris 1980]. The primary objective of this paper is to examine the changing situation of the New Zealand farm worker in relation to the development of agriculture and the evolution of government policies on relations between employers and employees. It concerns a struggle for representation and equality of treatment.

New Zealand has not experienced the sharp contractions in agricultural employment which have occurred in other developed countries. Since the early part of the century there have been significant structural changes within the labour force, however, as agricultural production has intensified and diversified. At the turn of the century most farm employment was concentrated in arable production. Following the advent of mechanical cereal harvesting and the development of dairy farming, employment shifted to intensive animal production. More recently the major growth area in employment has been in horticultural production. These recent changes have been accompanied by a redistribution of employment from South to North Island, and particularly to the South Auckland and Bay of Plenty districts (see Appendix).

The apparent stability of the labour force is also belied by the turnover among farm employees. Rates of labour turnover far higher than in other forms of employment are suggested, in spite of improvements in the economic position of farm workers, and are indicative of dissatisfaction

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with farm employment conditions. Although farm workers appear to be better off than before World War II, there is still dissatisfaction with wages and this, compounded in many cases by the realisation that aspirations of farm ownership will never be fulfilled, often precipitates departure from the industry.

The hope of achieving farm ownership is a recurring theme in studies of New Zealand farm workers (see for example Harris 1980). Indeed, there is a long established pathway to ownership through working on a dairy farm, then sharemilking, leading to dairy farm ownership and perhaps later to the purchase of another type of farm. Such a 'farming ladder' has been supplemented by different government settlement schemes from time to time which have facilitated 'suitable' young farmers being established on the land (Harris 1980). These aspirations, though, highlight the ambivalence and the dilemma of the farm worker who desires, on the one hand, to improve his material conditions to help achieve property ownership, but who recognises, on the other, that union agitation and high wage rates may vitiate property ownership for him in the long run.

In short, we may suggest that the farm worker occupies an ambiguous class position, being neither truly aligned with the employer class nor the employee class, which has made him at best only a lukewarm candidate for union membership. When this factor is placed alongside the other difficulties facing any prospective union organiser (high levels of staff turnover, small size of employment units, changing regional and sectoral distribution of employment, remoteness of farms, poor accessibility and communications, opposition from employers) it is a wonder that any farm workers' union was ever successfully established. Yet in 1908 the Canterbury Agricultural and Pastoral Labourers Union was the largest in the country and there were unions representing related occupations such as shearers, nurserymen and landscape gardeners, threshing mill operators and drovers.

Today New Zealand farm and related workers are represented by two national unions and an independent association compared to one national union in Britain, although there are six times as many farm workers in Britain (Table 1). These three bodies negotiate ten separate wages awards on behalf of different groups within the New Zealand industry against a single Wages Order for British farm workers. Such 'balkanisation' (Kerr 1954) of employment conditions in New Zealand is a product of the separate development of the colonial system of industrial relations from the common base of nineteenth century British employment law. The major point of divergence between the two systems occurred with the election of the first Liberal government in New Zealand in 1891.

TABLE 1. *Organisation and regulation of farm workers in Britain and New Zealand*

<i>Characteristics</i>	<i>Britain</i>	<i>New Zealand</i>
No. of hired farm employees	316,000	55,000
Employees as % of total farm labour	49%	43%
No. of bodies representing farm workers (a)	1 – TGWU	3 – FWA, NZWU NZLU
Union membership as % of total hired labour force	49%	11%
No. of instruments setting pay and conditions etc.	1	10
<i>Notes</i>		
(a) TGWU	Transport and General Worker's Union (G.B.)	
FWA	Farm Workers' Association	
NZWU	New Zealand Workers' Union	
NZLU	New Zealand Labourers' Union	

#### INDUSTRIAL CONCILIATION AND ARBITRATION ACT, 1894

Throughout the nineteenth century British farm labourers were a major component of the flow of immigrants to New Zealand. The greatest period of movement was in the mid-1870s at the time of the 'Revolt of the Field', when the National Agricultural Labourers' Union was formed under the leadership of Joseph Arch, the Methodist hedgecutter from Warwickshire. The 'Revolt' was the first co-ordinated national campaign by English farm labourers to improve their pitiful standard of living. Initially strike action was used to obtain increases in wages, but when strikes were met by lockouts or were ineffectual the farm labourers' unions turned to the promotion of emigration to improve their bargaining position.

Farm labourers were considered to be ideal settlers. They were men used to hard work with the key rural skills the developing colony needed. Also as the core of their unions was formed from members of Primitive Methodist Chapels, they were known as sober men with some rudimentary education. The New Zealand government recruited them with the aid of their own English unions. During the 1870s many were granted assisted passages, arriving in New Zealand not only with the hope of enjoying better living conditions than the poverty they had left in England, but also with the aspiration of being economically independent and owning their own farms (Arnold 1981).

However, economic conditions deteriorated in the 1880s (Gardner 1981). Many recent immigrants left for Australia. Unemployment, 'swea-

ted' employment conditions and industrial unrest became apparent, culminating in the unsuccessful Australasian Maritime Strike of 1890. The defeat and destruction of the trade unions involved was so complete that many supporters of labour realised that their cause could only be advanced in Parliament. As a result many Liberal/Labour candidates were endorsed by organised labour in the 1890 election campaign (Richardson 1981).

To quote Sinclair:

"The problem facing the Liberal Ministry which took office in January 1891 may be summed up in one word: misery. Canaan had not fulfilled its promise" (Sinclair, 1980: 172).

To minimise the significance of economic disparities in society the Liberal Government wanted to create a regime to help the landless to establish themselves on the land and introduce some order into the industrial labour market (Sinclair 1980; Richardson 1981).

In the 1880s New Zealand had what Young (1974) has called an 'unstructured' labour market. There were few rules, partly custom, partly common law, and some ineffective statutes intended not to improve the lot of the majority of workers, who were better off than their contemporaries in England, but to help the exploited minorities. To quote Young:

"What was lacking was the deliberate fostering of effective institutions creating structure and some stability of expectations in the labour market" (p. 234).

The programme developed by William Pember Reeves, a New Zealand Fabian and the Minister of Labour, and Edward Tregear, Secretary of the new Department of Labour, was designed to promote standards and to encourage the effective organisation of labour. Reeves introduced a complete labour code with some fourteen major measures. No more were to be introduced until the first Labour Government came to office late in 1935. The critical part of the programme was the Industrial Conciliation and Arbitration Act, 1894. In Sinclair's opinion it was one of the most significant 19th century measures moulding New Zealand society. Even so labour policy aroused considerably less interest than land policy (Sinclair 1981).

Four main elements may be distinguished in the 1894 Act. First, the country was divided into industrial districts, each with a Conciliation Board elected by employers and employees. Second, there was the Arbitration Court chaired by a Supreme Court judge, with employer and employee assessors. The Court was to settle disputes unresolved by the Conciliation Boards and interpret points of law. Third, awards of the Court were to be legally enforceable, and fourth, trade unions were to be registered under the Act and thus given official standing in disputes.

Registration applied to employer and employee organisations (Woods 1963).

Why should New Zealand have adopted a system of compulsory arbitration for settling industrial disputes when comparable nations, with the exception of Australia, did not? Arbitration was also debated in Britain and the USA, but in these countries strong unions were not prepared to give up to an arbitrator the hard won gains of 'collective bargaining' and industrial conflict. After all, arbitrators were more often representatives of the social class of the employers than the employees and were expected to side with them in disputes (Holt 1976).

Compulsory arbitration was adopted in New Zealand not only because of a general desire to avoid industrial upheaval and because of the strong advocacy of Reeves, supported by the government; but also because the unions, weakened by the disastrous Maritime Strike, were industrially weak and unable to oppose it. Also the urban employers were politically weak and lacked the power to prevent it in a government dominated by Liberals who depended on country support. If the Liberals had perceived that compulsory arbitration could be applied to farming the result might have been quite different. The question of the coverage of farming was not raised in the debates between 1891 and 1894 and the Bill was assumed to cover the urban sector only (Holt 1976).

In practice the Act produced different results from those expected. For example, its authors failed to foresee the full implications of allowing employees to be able to compel an unwilling employer to appear in a dispute and be subject to an award of the Court. A union only needed a membership of seven, careful attention to the correct procedures of the arbitration system, and enough funds for a skilled and articulate advocate. An award could be obtained from the court without building a large and loyal membership, or accumulating a large strike fund, or from confronting employers from a position of strength. A new type of unionism had been created, one which relied on the Act and the coercive power of the State for its strength, and not on its own efforts. When this change was realised many new unions were registered and initiated disputes to obtain awards from the Court. Typical awards set a minimum rate of pay, defined the normal hours of work, made provision for apprentices, and gave preference of employment to members of the union<sup>1</sup>.

The farming community was not affected until 1900 when the definition of workers covered by the Industrial Conciliation and Arbitration Act was extended in a new Section 2 to include:

"any person of any age or sex employed by an employer to do any skilled or unskilled manual or clerical work for hire or reward in any industry."

At face value such a definition should include all farm employees, but the Premier, Richard Seddon, denied that it would and reassured the farm

lobby that 'there would be no union whatever'. However, other members of parliament were less convinced, and Seddon's reassurance was rapidly overtaken by events. The Canterbury Shearers' Union, was registered under the Act in 1900 and two years later it obtained an award from the Court (Laracy & Laracy 1980). The Christchurch Gardeners' Union obtained its first award in 1903, but the Canterbury Agricultural and Pastoral Labourers' Union, formed to represent general farm workers, was refused an award in a long and hard fought case between 1907 and 1908 (Thompson 1967).

#### AGRICULTURE EXCLUDED 1900-1935

Rural unions had existed before the passage of the Industrial Conciliation and Arbitration Act. They were formed among the mobile, largely single, male labour force engaged in specific seasonal activities of a group nature such as shearing and harvesting. The most prominent was the first New Zealand Workers' Union which was developing rapidly when most unions were declining after the Maritime Strike. However, the Act undermined such a general union with goals of organising a range of different occupations and industries on a national basis. National unions were specifically disallowed and union members were required to belong to the same union within the same industrial district (Martin 1981). Thus while the new legislation, especially after 1900, should have made it easier to form farm workers' unions and improve conditions of employment, it also led to the disintegration of the New Zealand Workers Union as its different constituent groups registered as independent unions and attempted to obtain awards from the Arbitration Court. In practice, the Act was interpreted to prevent the most significant of these agricultural unions from obtaining an award.

How could the Arbitration Court discriminate between the different agricultural unions, granting some awards and not others? Firstly, the judges of the court had made it plain in earlier years that they did not follow policies, principles or even precedents, but based each decision on the case's merits (Holt 1979). Secondly, the situation of each of the three unions was different. The Shearers and the Gardeners may be seen as peripheral to the farming community. Shearing was organised on a casual, seasonal and migratory basis. The Shearers had real grievances and were radicalised by Australian influences from their annual trans-Tasman travels. As an occupation there were strong loyalties within the group and there was the knowledge that what was not shorn today had to be shorn tomorrow (Laracy & Laracy, *ibid*).

In contrast, the Gardeners were a very small, largely urban based group with a craft orientation (Tipples, *forthcoming*). When they tried to extend their base to include those who tended the private grounds of the rural

gentry and urban bourgeoisie, they were rebuffed because, as the Judge put it:

“the proposal was quite impractical as well as uncalled for . . . the greater number of men attending to gardens were grooms or general menservants as well. There was no evidence of discontent among this class. Only a small proportion were connected with the union” (*Journal of the Department of Labour*, 1906: 1200).

While it was appropriate for nurserymen or landscape gardeners as ‘tradesmen’ to be subject to an award, there was to be no interference with the freedom of contact of the landowner and private gentlemen.

At the time of its first attempt to obtain a wages award the Canterbury Agricultural and Pastoral Labourers’ Union was reckoned to be the largest union registered under the Act. Its membership was widely dispersed and was allegedly subject to anti-union victimisation. The award was refused on the grounds that there was a lack of evidence of grievances, that the award conditions would cost the industry too much, and that there would be difficulties in enforcing the award. Thompson has concluded that the reasons for not giving an award were inadequate and that the Court had succumbed to the influence of the farming lobby. Why was that lobby successful when other employers had not managed to evade the Act?

Firstly, Judge Sim may have seen a precedent in the exclusion of farm labourers from the arbitration system (the Commonwealth Arbitration Act, 1904) in Australia. Secondly, the economic and industrial climate at the time of the dispute was unfavourable: there was an economic recession, a bad drought in North Canterbury, and industrial unrest. Thirdly, the Labourers’ Union may have antagonised the more moderate farmers with the inflexibility of its demands (Thompson 1967). The farmers were undoubtedly opposed to having their conditions of employment regulated, and Scotter (1976) has suggested that much of the impetus for the formation of the Farmers’ Union came from the total opposition to labour aggressiveness. The failure of the government to insist that the Court make an award indicated its declining enthusiasm to support underprivileged workers caught as it was between the growing strength of the anti-union and farmer-dominated Reform Party on the right, and the radicalised Labour Party on the left. The position of the Labourers’ Union was not made any stronger by many farm workers regarding themselves as only temporarily of that status and on their way to becoming farmers (Scotter *ibid.*, Thompson *ibid.*). Consequently there was much less class consciousness than among the itinerant shearers, and especially among their allies the miners (Laracy & Laracy, *ibid.*). The point was to be demonstrated graphically when, in 1913, after the Reform Party had become the government, farmers and farm workers formed the core of the mounted

constabulary used to quell the Wellington Waterfront Strike (Richardson 1981).

Under the Reform Government (1912-1928) the interests of farm workers were not to be advanced, and further attempts to obtain an award in 1910 and 1925 failed. Moreover, the shearers, who had obtained awards from the Arbitration Court, were defeated in 1916 when the Court ruled that their attempt to form a single national Agricultural and Pastoral Union was illegal under the Act, partly because it was alleged to have been formed incorrectly and partly because the various types of farmwork covered, including shearing, were held not to be related industries or connected with the same industry. Again the court appears to have acceded unfairly to the farmers' advocacy (Laracy & Laracy, *ibid*). In 1927, after sustained attacks on the arbitration system, the farming lobby proposed making arbitration voluntary and exempting all types of farming employees from the Industrial Conciliation and Arbitration Act, including some food processing workers. The proposal, which followed a collapse in export prices, originated because the farmers believed arbitration wage awards introduced too much rigidity into the internal cost structure of the country. As Stone (1963) puts it:

"Although workers had not shared the benefits of boom prices, the farmers were going to see that they shared fully the privilege of shouldering financial sacrifices when overseas prices fell" (p. 213).

However, the proposals failed owing to opposition from industrial employers, followed by a change of government. Four years later, at the height of the inter-war depression, the government cut all wages and salaries unilaterally and abolished compulsory arbitration. Unions were unable to obtain new awards, membership numbers fell as unemployment rose, and many unions went out of existence (Richardson 1981). While most industrial award wages fell by only 10 per cent, general farm workers' wages fell by 34 per cent between 1930 and 1932 (Belshaw 1936). Only with the election of the first Labour Government in 1935 did the employees' prospects improve.

#### PROTECTION AT LAST? 1936-1972

Labour was elected on a programme of restoring purchasing power, employment and confidence in the economy (Burdon 1965). Part of the programme restricted the working week to forty hours in factories and forty-four in shops and offices. Compulsory arbitration was restored and compulsory union membership introduced. The government also wished to improve the prospects for farm workers and revive agricultural prosperity. It recognised that the ability to pay higher wages depended on

farmers receiving higher earnings, which only the government was in a position to influence (Lee 1938). Agricultural incomes were therefore to be raised by means of guaranteed prices and rescheduled mortgage payments for farmers. Having taken steps to provide the farmer with a comfortable income, the government believed it could do nothing less than ensure farm workers were similarly benefited (Lee, *ibid.*). However, farmers as a body were the inveterate opponents of trade unionism, compulsory arbitration and anything which smacked of interference in their perceived rights to freedom of contract.

The Labour Government was in a conciliatory stance. The angry young men of the 1908 Farm Labourers' Dispute were now older and wiser members of the government<sup>2</sup>. They were well aware of the difficulties of organising the rural labour force. They were also aware of the farmers' fears that their particular needs would not be understood by the Arbitration Court. To heal the wounds of the past a generous attitude was essential, but perhaps the Labour Government did not appreciate how generous it was being to the employers and to some degree it showed its legislative inexperience.

The Agricultural Workers Bill, which related specifically to dairy farm workers, contained provisions relating to minimum standards of accommodation, minimum wages, paid holidays and the extension of the Act to other parts of agriculture. The terms of the new legislation for dairy farms and the immediate extensions to orchards, and farms and stations, were negotiated in three-cornered discussions between employers, employees and the Minister of Labour<sup>3</sup>. Both employers and employees were satisfied with the advances achieved: employers because they had avoided the Industrial Conciliation and Arbitration Act and were guaranteed better prices for their products (*The Orchardist of New Zealand*, 1 December 1936) and the employees because they achieved a set of minimum standards in a sector which had never been regulated previously (NZWU 1937). The consequence was two separate industrial relations systems operating alongside each other in agriculture. The Shearers; Nurserymen and Landscape Gardeners; Musterers, Packers and Drovers; and Threshing Mill and chaff-cutting employees had awards under the Industrial Conciliation and Arbitration Act. Farm and station workers, orchard workers and market garden employees were covered by extension orders under the Agricultural Workers Act, 1936.

Satisfaction with the 1936 Act on the part of the New Zealand Workers' Union was shortlived. They had achieved new standard but the farmers were not prepared to improve them in succeeding years. If the Minister had no further inducements the new system was of limited value. Why the Labour Government was not prepared to compel farmers regularly to revise wages is unclear. Throughout the discussions on the Act it had preferred to negotiate rather than direct. In response to criticisms raised

by the New Zealand Workers' Union, it agreed that a separate arbitrating tribunal should be established to settle unresolved disputes in agriculture. When in 1940 the New Zealand Workers' Union and the New Zealand Fruitgrowers' Industrial Union of Employers could not agree on hours of work and new wage rates for orchard workers, a special three men tribunal was established under the chairmanship of Sir Francis Frazer, who had been judge of the Arbitration Court from 1921-1935. Subsequently some unresolved matters were referred to the Arbitration Court for a recommendation to the Minister, who then issued a revised wages order (*The Orchardist of New Zealand*, February 1940).

#### AGRICULTURE'S OWN TRIBUNAL 1972-1984

After 1945 dissatisfaction with the Agricultural Workers Act did not surface immediately. New extension orders were issued and employers were compelled to concede higher wages in a tight labour market. A new National Government demonstrated its attitude to union agitation by crushing the 1951 Waterfront Strike and a period of comparative industrial peace followed. The issue of the Agricultural Workers Act reappeared when Labour won the 1958 general election.

The New Zealand Workers' Union approached the government, and asked to have agriculture brought under the Industrial Conciliation and Arbitration Act. But the government, with an effective majority of one, declined to act on such a potentially contentious issue (Gill 1979, 1981). However, new wage orders for dairy farms, and farms and stations, were issued. They were to be the last orders issued for each sector until 1975. During the 1960s, when in opposition, the Labour Party committed itself in successive manifestoes (in 1963, 1966, and 1972) to bring agriculture into line with industry under the Industrial Conciliation and Arbitration Act. When Labour returned to power in 1972, with a good majority, it appeared that the policy would be implemented (Gill 1981).

Opposition to Labour's proposal came not only from farmers and the National Party, but also from a considerable body of farm workers. The opposition coalesced in March 1974 in the formation of the Farm Workers' Association, a voluntary friendly society, which claimed to represent the legitimate voice of rural labour (NZFWA, no date). Its claim had considerable merit as it managed to recruit 8,000 members at its peak, while the New Zealand Workers' Union at this time never had more than 300 farm worker members and may have had as few as 12. The public campaign gained sufficient momentum to persuade the Labour Government to drop the proposal. Gill (1981) believes that Labour was concerned about losing support in key rural constituencies which it had to win to retain power. The National Party entered the 1975 election campaign with

a promise of separate legislation for agricultural workers in its manifesto, and it was returned to office with a comfortable majority.

The Agricultural Workers' Act, 1977, was largely drafted by the Farm Workers' Association and the legal department of Federated Farmers. The Act created a new system, which replaced ministerial wage orders with an Agricultural Tribunal, with the power to arbitrate between agricultural employers and employees when agreement on disputes could not be reached in conciliation. The idea of an Agricultural Tribunal was promoted by opponents to Labour's 1973 Bill, but appears to be very similar to the New Zealand Workers' Union proposal of 1939. The legislation certainly did not go as far as the New Zealand Employers' Federation would have liked. The Federation argued before the Select Committee on the Bill that all awards relating to agriculture should be included, but the Bill made no attempt to change the coverage of those parts of the industry with awards under the Industrial Relations Act, 1973, the successor to the Industrial Conciliation and Arbitration Act (NZEFA 1977).

The most contentious change was the recognition in the Act's first schedule, of the Farm Workers' Association, which was not a registered trade union, as the representative body for dairy, sheep and general farm workers. The New Zealand Workers' Union was only left to negotiate on behalf of orchard, vineyard and tobacco workers. Unless any other representative body could show it had at least twenty-five per cent more members, the Farm Workers' Association could not be replaced without its own agreement<sup>4</sup>.

In line with the traditional arguments of the farmers, the Act contained no provisions for a forty-hour, five-day week, or for any form of compulsory unionism. Where such terms already existed in wages orders as a result of negotiation between the parties, they were continued in the awards granted by the new Agricultural Tribunal. Thus the New Zealand Workers' Union, which continued to represent orchard workers, had obtained a basic forty-hour, five-day week by 1982 and all working in the orchard industry were still required to join the union. But it appears that the authors of the Act did not intend any form of compulsory union membership to be lawful, as the clause permitting lawful preference clauses was not contained in the original Bill (Reid, 1978).

Following the passage of the Act all the recognised employee bodies obtained awards from the new Agricultural Tribunal. If the Farm Workers' Association thought that its task would be easy, as a result of the support it had received from Federated Farmers and the National Party from 1973 to 1977, it was soon to be disillusioned. When it was created, the Association had profited from the lack of activity of the New Zealand Workers' Union. But perhaps it had never fully realised the organisational difficulties in agriculture. Without the millstone of a connection with industrial unionism and the Labour Party around its neck, it still faced

considerable difficulties mobilising its support. One of the major reasons for its success in 1973-74 was also to be its undoing. Farm workers did not like industrial unionism because they mostly aspired to become farmers themselves and thus their managerial views aligned closely with those of farmers (Harris 1980). Over a period, therefore, the Farm Workers' Association was inevitably to lose some members who became farmers. Other members were to be lost when they realised they would never own their own farms and consequently gave up farm employment for occupations with more desirable social circumstances. Other members were undoubtedly lost to apathy once the major victory of the 1977 Act had been achieved and, without the stimulus of the threat of industrial unionism, there was less chance of recruiting the new workers entering the industry.

The membership of the Farm Workers' Association declined from a peak of 8,000 in 1975-76 to 2,200 in 1983. By this time the Association was burdened with a rapidly increasing debt (Kelly 1980). While it had been founded on the principle of voluntary membership the Association had realised as early as 1975 that some type of assistance from farmers would be required to maintain membership at a viable level. In 1979 the employers were asked to include in the Dairy Farms and Farms and Stations Awards a membership clause, requiring farm workers to be members of the Association, unless they opted out, which they could do freely (Kelly *ibid.*).

The employers rejected the proposal as a variant of compulsory unionism. Disheartened, a belief developed in the Association that Federated Farmers wanted the Association sufficiently weak that the employers could dictate their own terms to it (Kelly *ibid.*). Ironically, the Farm Workers' Association membership drive would have been made much easier if the New Zealand Workers' Union had been an active rather than a latent threat.

In 1982, when the Farm Workers' Association's position had deteriorated still further, all the farm employers with the exception of the dairy farmers agreed to the inclusion of the membership clause in the award (Cosgriff 1982). The Association was prepared to abandon its claim to represent dairy farm workers when all award negotiations were frozen by the government as part of a 'wage freeze'. Before the freeze was lifted the Industrial Relations Amendment Act, 1983, was passed. It prohibited all forms of compulsory unionism, preference of employment to union or non-union members, or any kind of discrimination based on membership. Further, the Act prohibited any person exerting undue influence on a worker with intent to induce him to become, or remain, a union member, or cease to be a member. The Association's campaign for a membership clause had been in vain.

In the months after the passage of the Act, several senior officials of the

Association, including the foundation president, resigned. Ten years' struggle had taken its toll in human, social and financial terms (NZFWA 1984).

## CONCLUSIONS

In New Zealand, unlike many other countries, the organisers of trade unions to represent farm workers have not been faced with the problem of a shrinking pool of potential members. However, they have been confronted with qualitative changes in the nature of the farm labour force and its distribution. Furthermore, union organisation has been made more difficult by a rapidly changing farm labour force as a result of high levels of staff turnover. It is a labour force which, it has been argued, occupies an ambiguous class position being truly aligned with neither the employer nor working classes. Such difficulties have been compounded by the high costs of organising workers in dispersed small employment units. If such difficulties were not enough to prevent union organisation it was argued that the role of governments and the farming lobby in preventing the majority of farm workers from taking advantage of machinery set up by the Industrial Conciliation and Arbitration Act 1894 was one of the major factors preventing the establishment of minimal standards for agricultural employment until 1936. Even in 1936 the first Labour Government did not feel able to ride roughshod over the views of the farming lobby and impose the machinery of the Industrial Conciliation and Arbitration Act. Instead it substituted a separate Agricultural Workers Act, creating minimum conditions of employment ultimately by ministerial fiat. The Act was not implemented without employers being offered a considerable financial incentive in the form of minimum guaranteed prices for their produce. By way of comparison, it is interesting to note that when the first minimum wage for farm workers in Britain was set by the Corn Production Act 1917 farmers were also guaranteed minimum prices for their crops (Howkins, 1985). These concessions to farming lobbies in both New Zealand and Britain show something of the extent of their influence even when dealing, as in the New Zealand case, with a government strongly committed to employee interests.

Since 1936 the conditions of farm workers appear to have improved although the system established then was rapidly found to be ineffective in raising basic wages, with intransigent employers and a government financially hamstrung by general economic problems. World War II intervened before the system could be modified and the changed economic and political context of farm employment after 1945 shifted the focus from the mechanisms for determining minimum conditions. Only when attempts were made to bring farm workers under the coverage of the Industrial Conciliation and Arbitration Act and its successor the Indus-

trial Relations Act 1973 did farm workers again become actively concerned about who represented them and the conditions under which they were employed. The outcome was the formation of the non-union Farm Workers' Association and the passage of the Agricultural Workers Act 1977 with the help of Federated Farmers and a National government. While the new legislation created a system very similar to that requested by the New Zealand Workers' Union before 1939 farmers continued to be protected from compulsory unionism and a standardised working week. Indubitably the Farm Workers' Association has found it impossible to maintain the momentum achieved between 1974-7 when it became the officially recognised voice of farm labour, and its long term survival is open to doubt.

### THE FUTURE

In mid-1984 Labour replaced National as the party of government. It was elected on a platform of reconciling the differences within New Zealand society, which had been aggravated by the highest level of unemployment since the inter-war depression and nearly nine years of Sir Robert Muldoon's abrasive style of politics. The first Liberal (1890) and Labour (1935) governments had had the same role. The Labour Party's election campaign was singularly lacking in specifics concerning industrial relations, with the exception of the repeal of the Industrial Relations Amendment Act, 1983, and a gentle undoing of the anti-union ravages of the Muldoon years must be anticipated.

In agricultural labour relations the survival of the Farm Workers' Association is the critical issue. Legislative measures to replace it with the New Zealand Workers' Union would probably give the Association its largest boost since 1974. The gradual demise of the Association may give the New Zealand Workers' Union its greatest chance of once again representing the majority of rural workers. Its future role in the industry will be enhanced by the growth in employment in orchard fruit production for which it is the registered union.

The general growth in horticultural employment since 1976, which appears likely to continue, may be the cause of some of the most radical changes over the next few years. Already attempts have been made to obtain a more generous reward for kiwifruit workers, as a fairer share of the wealth generated by that crop. The growth in horticultural production has given rise to concerns about the adequacy of future labour supplies and there has been officially sanctioned discussion of 'labour shortages' (Martin 1983). The reality of potential shortages is open to question. There is little doubt, however, that the spectre of labour shortages may be used by employers to ensure the supply of labour remains adequate to their needs; through encouraging the development of labour saving sys-

tems and technologies; and through stimulating the supply of labour either by encouraging unemployed labour to move in, or by creating propitious conditions for more radical measures to be permitted, such as the employment of immigrant labour<sup>5</sup>. In the long term the price of kiwifruit must fall as a result of international competition. Growers will then be under increasing pressure to reduce labour costs and a relative curtailment of horticultural employment may be anticipated. In the event of general levels of unemployment remaining high a degree of pressure from employers and their political party upon terms and conditions of employment may then be expected once more.

## NOTES

- \* Dr John Fairweather and an unnamed editor made most helpful suggestions which improved the original paper. Helen Islip of the Department of Horticulture, Landscape and Parks, Lincoln College, typed the final manuscript. The paper was first presented to the 1985 annual conference of the British Rural Economy and Society Study Group.
1. Between 1894 and 1916 two forms of 'preference clause' were inserted in Awards by the Arbitration Court. 'Qualified Preference' clauses permitted employers to hire and employ non-union members only if no union member was available and equally qualified for the job, but employers were not greatly constrained because they determined who was qualified and who was not. 'Unqualified Preference' clauses required workers to join the union within a set period of beginning employment. They were ruled unlawful in 1916. See Walsh, P. (1983), 'Union Membership policy in New Zealand 1894-1982', in Ed. P. Brosnan, *Voluntary Unionism*, Industrial Relations Centre, V.U.W., pp. 15-22.
  2. Of those involved in the Farm Labourers' dispute in 1907-08, two were members of Labours' Cabinet (D.G. Sullivan and E.J. Howard), one was a Member of the House of Representatives (J. Thorn) and the fourth (J. McCullough) was a Member of the Legislative Council. (Thompson, op.cit., p. 201).
  3. *New Zealand Parliamentary Debates*, 246, 26th August 1936, p 679; 247, 9th September 1936, p 76.
  4. Agricultural Workers Act 1977, sections 13 and 14.
  5. Manipulation of the labour market is not a new feature of agricultural labour relations. In the early part of this century New Zealand farmers encouraged the government to increase immigration whenever the possibility of a labour shortage emerged. In the 19th century the farm labourers' unions encouraged emigration to reduce the supply of labour and thus improve pay and conditions. See Arnold, R (1981) op.cit., Ch. 9. For manipulations of the labour supply in California see Daniel, C.E. (1981), *Bitter Harvest: A History of California Farm Workers, 1870-1941*, California University Press, and Friedland, W.H., Barton, A.E. and Thomas, R.J. (1981), *Manufacturing Green Gold*, CUP, Cambridge.

## APPENDIX:

### The development of agriculture and the farm labour force

Both internally and from abroad, New Zealand is often regarded as an agricultural country, and this view is bolstered by its food exports. Within the country, however, agriculture does not justify such prominence, employing a similar share of the labour force as does the farming sector in several Western European countries.

Agriculture's share of gross domestic product fell from just under 40 per cent in 1936 to 10 per cent in 1981, a decline attributed to farm prices rising more slowly than those for other goods. New Zealand's agricultural industry has been unusual in that its output per man employed has been above the average for all sectors of the economy, unlike the situation in most developed countries where manufacturing and services are more efficient [Hawke, 1981].

For New Zealand the most marked characteristic is one of stability in the size of the labour force over time. After an initial build-up in the period up to 1921, the rural labour force has oscillated at just above 120,000 for the last 60 years.

Not only has the New Zealand total been reasonably consistent but when broken down by occupational status, which best reflects the relations of production, the pattern is also remarkably consistent. Over the period covered the proportion of employers has fluctuated between one-fifth and one-quarter. The proportion of self-employed farmers has increased marginally from approximately 24 to 30 per cent and the proportion of employees has oscillated from just below to just above 40 per cent of the farm labour force. The only category to change significantly has been that of the unpaid relatives assisting the farmer, which at the turn of the century was one-fifth of the labour force and is now negligible.

For the period 1874 to 1911 the expansion in the number of farm employees in New Zealand matched the expansion of the total farm labour force also [Martin 1983]. Over the period 1901-81 farm employees have increased as a proportion of the total farm labour force from 36 to 43 per cent but, with the faster growth of urban occupations, have decreased as a proportion of the total labour force from 8 per cent to 4 per cent [Department of Statistics 1981, 1983].

Though the overall size and structure of the farm labour force has remained remarkably constant, there have been major shifts between farming sectors and there is evidence of considerable turnover within the labour force. At the turn of the century the most important sector of farm employment was arable farming, which involved two-thirds of all farm employees. Employment was also concentrated geographically in the provinces of Otago and Canterbury, the chief areas of arable production, with some 60 per cent of all farm employees. These districts were also areas with large sheep runs which employed significant numbers of pastoral workers [Martin *ibid*].

By 1951 dairy farming was the most important sector of farm employment involving 39 per cent of the labour force, followed by sheep farming with 27 per cent. Thirty years later in 1981 sheep farming was top with 34 per cent of the labour force, dairy farming was second with 26 per cent and horticulture third with 15 per cent. Over the same period the proportion of the farm labour force who were employees fell in dairy and sheep farming while it rose in horticulture. However, only a minority of farms employ labour. Of some 72,500 farms of at least one hectare in 1982, only one in seven employed a full-time worker and one in fourteen a regular part-time worker, but it has been estimated that only some 40,000 of these were full-time farms.

The regional distribution of employment has also changed with approximately one quarter of the permanent male labour force now being employed in the South Auckland statistical area, an area of intensive dairy farming and horticultural development and with nearly one third being employed on the east coast of the North Island, an area of extensive pastoral farming with concentrated pockets of horticultural production (Harris 1980).

An important limitation of the Census data is that they give no indication of the turnover within any part of the labour force. The evidence available for the post-war period of relatively low unemployment suggests rates of labour turnover as high as 60 per cent per annum in both North Island dairy farming and Canterbury crop farming (Gill 1981). Such rates are higher than in other employment sectors. When considered together with the low median age of farm workers and the skewed age distribution there is a suggestion of farm workers leaving farm employment by their mid-twenties and their replacement by younger entrants (Gill, 1981: 152).

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