

Relations industrielles Industrial Relations



James HOLT: *Compulsory Arbitration in New Zealand - The First Forty Years*. Auckland, Auckland University Press, 1986, 247 pp., ISBN 1-86940-0062

Donald D. Carter

Volume 44, Number 2, 1989

URI: <https://id.erudit.org/iderudit/050505ar>

DOI: <https://doi.org/10.7202/050505ar>

[See table of contents](#)

Publisher(s)

Département des relations industrielles de l'Université Laval

ISSN

0034-379X (print)

1703-8138 (digital)

[Explore this journal](#)

Cite this review

Carter, D. D. (1989). Review of [James HOLT: *Compulsory Arbitration in New Zealand - The First Forty Years*. Auckland, Auckland University Press, 1986, 247 pp., ISBN 1-86940-0062]. *Relations industrielles / Industrial Relations*, 44(2), 468–469. <https://doi.org/10.7202/050505ar>

Tous droits réservés © Département des relations industrielles de l'Université Laval, 1989

This document is protected by copyright law. Use of the services of Érudit (including reproduction) is subject to its terms and conditions, which can be viewed online.

<https://apropos.erudit.org/en/users/policy-on-use/>

érudit

This article is disseminated and preserved by Érudit.

Érudit is a non-profit inter-university consortium of the Université de Montréal, Université Laval, and the Université du Québec à Montréal. Its mission is to promote and disseminate research.

<https://www.erudit.org/en/>

L'auteur a le mérite d'avoir défriché un champ quasiment inoccupé, à un moment où les préavis et les dommages moraux connaissent de nouvelles limites.

Le lecteur ne trouvera pas dans cet ouvrage les nuances plus serrées et les distinctions développées ces dernières années. Comme l'a signalé l'auteur dans son avant-propos, il s'adresse également au grand public et cette préoccupation est peu conciliable avec un compte-rendu analytique et critique en profondeur de l'état du droit en la matière. Surtout quand on sait qu'il s'agit là d'un droit en mutation accélérée, écartelé entre ses sources formelles, civilistes et françaises, et une réalité socio-économique statutaire et nord-américaine.

Le livre sera utile à tous ceux et celles, étudiants(es) et praticiens(nes) qui rechercheront un compte-rendu simple et ramassé sur l'un ou l'autre des principaux aspects du contrat d'emploi. Je pense ici, entre autres, à ce développement sur les clauses de non-concurrence que l'on retrouve dans le dernier chapitre majeur.

Réjean BRETON

Université Laval

Compulsory Arbitration in New Zealand — The First Forty Years, by James Holt, Auckland, Auckland University Press, 1986, 247 pp., ISBN 1 86940 0062

To North Americans, compulsory arbitration is a dispute resolution process usually associated with Australian industrial relations so that New Zealand's pioneering role in developing compulsory arbitration is less well known. In fact, in 1894, New Zealand became the very first jurisdiction to provide both unions and employers with ready access to a process where interest disputes could be resolved ultimately through final and binding arbitration by a third party. Although the legislation provided for both conciliation boards and an Arbitration Court, the new court (chaired by a Supreme Court Judge but with both a representative of workers and a representative of employers) was soon to become the dominant institution in New Zealand's industrial relations system. This book is an historical account of central role of compulsory arbitration in New Zealand during the first forty years of its existence.

Some interesting points emerge from this history. First, it is clear that the system of compulsory arbitration greatly influenced New Zealand's trade union movement. In the hothouse atmosphere created by compulsory arbitration, New Zealand's unions were able to achieve their goals with much less struggle than their North American counterparts simply because the effect of the arbitration legislation was to guarantee unions a form of recognition. As the author points out, «all that was required to force a legally binding award on any employer was a membership of seven, careful attention to correct procedures, and enough funds to pay a skillful and articulate advocate». During its very early years, compulsory arbitration was embraced enthusiastically by New Zealand's trade unions which were able to achieve their objectives, as the author observes, «without the need of building up a large and loyal membership, accumulating large strike funds, and confronting employers at the bargaining table from a position of strength».

New Zealand's compulsory arbitration procedures, however, did not eliminate strike activity and other forms of economic conflict. Under the initial legislation strikes and lockouts were prohibited while disputes were before a conciliation board or the Arbitration Court, and later it was made clear that such activity was prohibited while an award was in force. Nevertheless, it was still possible for unions to resort to strike action if they operated outside the arbitration system. In 1908 a group of more militant unions, «the Red Fed», decided to abandon

arbitration and return to collective bargaining. By 1913, however, this initiative had died as these unions were unable to achieve better results than those unions that remained within the arbitration system. Moreover, as the result of this union militancy, the arbitration system was suddenly embraced by employers and conservatives who now perceived it as a more palatable alternative to collective bargaining with its attendant economic sanctions.

By the beginning of World War I compulsory arbitration had become a firmly entrenched institution in New Zealand. The events of the next twenty years, however, placed it under very severe strain, clearly illustrating the problems associated with a centralized mechanism for wage setting. First, the inflationary pressures of the wartime economy caused substantial industrial unrest as the awards of the Arbitration Court failed to maintain real wages. In these conditions union militancy increased with the stronger unions establishing collective bargaining arrangements and resorting to strike action at will. In the early 1920s, however, a sharp drop in prices for New Zealand's exports brought about a depression. The response of the Arbitration Court was to issue in 1922 two general wage orders reducing wages. At the same time, employers took advantage of the deteriorating economic situation by forcing the more militant unions back into the arbitration system.

The author makes the observation that during this period there was a close relationship between the state of New Zealand's economy and the attitudes of employers and unions to the Arbitration Court. In good times arbitration would fall out of favour with trade unionists who saw it as a brake upon wage increases but, in bad times, employers and conservatives would be critical of the system for braking the fall of wages. By the late 1920s farming interests had become particularly critical of the arbitration system which allowed wage increases at a time when the prices of agricultural commodities were falling. The onset of the depression in 1930 gave rise to an even further pressure from conservative and employer interests, and in 1932 the operation of compulsory arbitration in New Zealand was drastically curtailed by legislation removing the right of either party to compel the other party to go to arbitration. This legislation effectively suspended compulsory arbitration in New Zealand until the process was revived four years later by further legislation.

This book, because of the author's sudden death, is necessarily an incomplete account of the evolution of compulsory arbitration in New Zealand. The reader is taken from the origins of compulsory arbitration in the early 1890s up to its suspension in the early 1930s. Nevertheless, the book is still a worthy piece of scholarship, providing interesting insights on the implications of compulsory arbitration for New Zealand's industrial relations system. It is to be hoped that some other scholar will bring us up to the present and do so with the same clarity and attention to detail as this history of the first forty years.

Donald CARTER

Queen's University

Technologies nouvelles et aspects psychologiques, par Alain Larocque, Yvan Bordeleau, René Boulard, Bruno Fabi, Viateur Larouche et Alain Rondeau, Sillery, Presses de l'Université du Québec, 1987, 171 pp., ISBN 2-7605-0450-6

Il s'agit d'un volume qui traite des technologies informatiques et de la culture organisationnelle. Le titre pourrait faire croire que les articles qu'il contient traitent de deux sujets, de façon intégrée. Mais c'est rarement le cas. C'est regrettable, mais cela se comprend aisément. Les textes sont réunis à l'occasion d'un colloque et leur intégration n'a probablement pas été