The New Zealand Shipowners' Federation was formed at Auckland in 1906 to succeed a short-lived local association. Although initially ignored by the country's largest shipowner, the Union Steam Ship Co, the Federation played an important part in settling the 1917 and the 1922 seamen's strikes. From then until the 1990s much of its time was occupied with industrial negotiations. As land (and later air) transport ate into the coastal general cargo trade, rate setting became another core business item. The third strand of the business was lobbying government.

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In the twenty-first century the New Zealand Shipping Federation is the advocate for domestic shipping playing its full part in addressing the country's transport and environmental concerns – in short, it is A Voice for Shipping.

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A VOICE FOR SHIPPING
The New Zealand Shipping Federation Story

Gavin McLean
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# Contents

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td></td>
<td>7</td>
</tr>
<tr>
<td>One</td>
<td>‘Securing combination … for the protection of their interests,’</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>1907–13</td>
<td></td>
</tr>
<tr>
<td>Two</td>
<td>‘Cut-throat competition’ – intermodalism begins, 1914–44</td>
<td>35</td>
</tr>
<tr>
<td>Three</td>
<td>‘A rush of seething waters’ – post-war adjustment and technological</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>1944–75</td>
<td></td>
</tr>
<tr>
<td>Four</td>
<td>Sea change? From arbitration to advocacy, 1975–2008</td>
<td>67</td>
</tr>
<tr>
<td>Acknowledgements and sources</td>
<td></td>
<td>89</td>
</tr>
<tr>
<td>Notes</td>
<td></td>
<td>91</td>
</tr>
<tr>
<td>Index</td>
<td></td>
<td>94</td>
</tr>
</tbody>
</table>
Preface

The New Zealand Shipowners’ Federation was formed at Auckland in 1906 to succeed a short-lived local association. Initially its name was more aspirational than accurate. Its early members were mere bit-players and at first the Union Steam Ship Company, which completely dominated Australasian shipping, kept aloof. It was more interested in the trans-Tasman shipping federation. The company’s market dominance would remain a problem for the Federation for decades to come. Gradually, however, the Federation found its feet. By 1911 the British Conference Lines had joined (remaining until the mid-1950s) and after the Federation moved to Wellington in 1917, it increased its effectiveness. From being largely ignored by the Union Co during the 1913 strike, the Federation was crucial to resolving the 1917 and the 1922 seamen’s strikes.

As these references to strikes suggest, for many decades most of the Federation’s time was occupied with industrial negotiations. Its records, a tedious mountain of paper relating to general wage orders, logs of claim, relativity agreements and manning scales, all negotiated with up to half a dozen trade unions at a time, reflect that preoccupation. As land (and later air) transport ate into coastal shipping’s slice of the transport pie, however, rate setting became another core business item. The third role was lobbying government and its agencies on land transport policy, safety, pollution and associated issues.

That mix changed in the late 1980s and the early 1990s when the Lange–Douglas Labour government and its National successor radically reformed the economy. This was the shipping industry’s second revolution. The first, a technological one, had seen containers, roll-on, roll-off (RO-RO) ships and bulk carriers oust conventional shipping, drastically trimming the local fleet. The political revolution went further, reshaping ports, shipping companies and work practices. It made changes once thought politically impossible – demanning, integrated ratings, union amalgamations, replacing ‘the Corner’ labour pool with company employees, repealing the Industrial Conciliation & Arbitration Act 1894, removing cabotage and ending the Maritime Accord, the informal maritime unions’ agreement that had kept foreign-crewed ships off the Tasman since 1931.

Left: The Spirit of Endurance (7,464 tons) loading containers at Lyttelton.

PACIFICA SHIPPING
Although most members of the Federation opposed ending cabotage to varying degrees, it supported most of the other changes, and often led the charge during its peak years of activism in the late 1980s and the early 1990s. Since then, the shipping industry has shrunk. So has the Federation. However, now that crews are company employees, it has been freed of the incubus of hands-on industrial negotiations. Since the late 1990s its focus has been on advocacy for the sector, culminating with the publication in 2006 of *Roadways to Waterways*, a strategic issues and options paper on coastal shipping in the era of climate change. That in turn resulted in government’s 2008 *Sea Change* strategy, the first government investment in coastal shipping for decades – albeit a short-lived one thanks to the electoral cycle.

_Gavin McLean_

_Abbreviations_

_HANZ_ Harbours Association of New Zealand  
_IC&A Act_ Industrial Conciliation & Arbitration Act 1894  
_MEA_ Maritime Employers’ Association  
_MOT_ Ministry of Transport  
_NZR_ New Zealand Railways  
_NZSF_ New Zealand Shipowners’ Federation/New Zealand Shipping Federation  
_USSCO_ Union Steam Ship Company of New Zealand  
_WIC_ Waterfront Industry Commission

Left: The _Milburn Carrier II_ (6,200 tons), Holcim’s heavyweight of the bulk cement trade.  
_HOLCIM (NZ)_
The Federation emerged at a time of escalating tensions between shipowners and their workforce. In 1913 that tension boiled over in the great maritime strike, the second of three in the country’s history. In this photograph taken on Wellington’s Jervois Quay, police and ‘special constables’ are taking up their positions (background) while strikers and onlookers watch in the foreground.

S.C. SMITH, GAVIN MCLEAN COLLECTION

The Auckland waterfront a hundred years ago. The ferries, scows and small coasters depicted on this tinted postcard typified the craft owned by the Auckland shipowners who came together in 1906 to form the New Zealand Shipowners’ Federation.
CHAPTER ONE

‘Securing combination … for the protection of their interests’, 1907–13

The New Zealand Herald ruled the match Labour 1, Capital 0 thanks to an embarrassing own-goal scored by the employers. ‘A meeting, to which everyone not a shipowner must have appeared as something exceptionally good in the comic opera line, was held in the Harbour Board Offices last evening, and resolved itself into something very contrary to what it was set out to be,’ the Herald reported on 2 August 1906. We would call it a cock-up. In calling a meeting to oppose trade union and government restrictions on business, the shipowners naively invited ‘all interested in shipping.’ John Kneen, the secretary of the Auckland seamen’s union branch, took them at their word and marched in accompanied by 30 burly seamen. It was like tossing a chilli into a bowl of porridge. ‘Quite evidently the reinforcements were not in the same manner as the owners, and there was consternation in the ranks around the head of the table while the men, filing into the back seats, figuratively smiled in their sleeves, and watched their leader for the necessary wink when to vote, or to do anything else by way of rising to the occasion,’ the paper chuckled.

Ambushed, outflanked and embarrassed, the owners tried to kill their own meeting. Too late. The chairman, Auckland Harbour Board chairman Edwin Mitchelson, had already opened proceedings. So when Kneen, all smiles and innocence, said that he wanted to hear the shipowners’ views, convenor Ernest Ford rose reluctantly to his feet to cast his pearls before what he undoubtedly considered swine. Ford, a former Union Steam Ship Company agent and branch manager, was crusading against red tape and reds, convinced by his experiences at the Ngunguru Coal Mines Company that stroppy unionists and pedantic bureaucrats were strangling the small ships he called the lifeblood of Auckland commerce. Ford abhorred regulation: ‘There were many things in which the owners found hardships,’ he complained. ‘They had to ship men who went aboard apparently well and a few days afterwards developed illness, in some cases typhoid fever, and then the owners had to deposit three months’ pay and hospital fees.’ That flush of anti-regulatory blood to the head did not stop him from demanding
that the government fund medical officers to examine every seaman before hiring.

Ford’s speech found no favour with the seamen, still a silent if sullen majority, so the owners again tried to adjourn the meeting, arguing that they had called it for the benefit of shipowners, not seamen. Again they failed, this time because some in the audience observed that the seamen were not the only non-owners present. ‘Mr Chairman, I don’t own any vessels about here, but I have a notice inviting me to attend,’ Auckland West MP Charles Poole said, sinking the owners’ lifeboat. Mitchelson reread the advertisement and agreed with Poole and Kneen: perhaps someone had made a mistake?

It was now time for some audience participation. After dismissing Ford’s assertion that motions were pointless in such an ‘unbalanced’ meeting, Kneen moved:

That, in view of the recent numerous shipping disasters with great loss of life on our coasts this meeting strongly urges the Government to amend the Shipping Act on the lines of the Imperial [i.e., British] Act, so that all vessels shall have a winter and a summer load-line, and shall carry no deck cargoes during the months of May, June, July, August and September: and further resolves, that (a) a qualified marine architect should be appointed by the Government to approve of all plans for vessels being built in this colony: (b) a stricter supervision should be exercised over the provisioning of vessels

Above & right: Accidents and collisions had damaged the reputation of small steamers around the time the Federation was formed. One of the worst came on 23 December 1905 when the Claymore (210 tons) collided with the Kapanui (110 tons) on the Waitemata Harbour. Five excursionists drowned.
sailing from our ports: (c) the recommendations of the Nautical Court jury dealing with the *Claymore-Kapanui* disaster should be given immediate effect to.

The owners’ faces sank faster than the unfortunate ships. Kneen’s motion threatened the very survival of the scow, since most carried their cargo on deck. ‘If scows were not allowed deck cargoes in the winter months it would mean that they would have to lay at anchor’, P. Bryant wailed. Warning that the resolution would kill the kauri timber trade, scow builder and shipowner George Niccol moved: ‘that the meeting be adjourned, so that those having some stake in vessels can be invited to attend.’ It went down by 25 votes to 30. Another owner tried to delete the reference to deck cargoes over winter, but lost by one vote. At that point the owners decided to abandon ship. ‘The Chairman then put the motion, and it was carried without dissent, the owners having retired and left the field to the victorious seamen,’ the *Herald* reported.

Aucklanders chuckled over the story next morning. Kneen confessed he had gone too far – he should have tried to restrict, not ban deck loads over winter – but he insisted that regulators had to examine ships’ plans. Surely seamen’s homes – their ships – should be made as safe as landlubbers’ residences? The owners also held their ground. Scows were so safe, Ford boasted, that few owners bothered to insure them. Repeating his grumble about sick seamen, he added a fresh complaint: drunkenness.

The owners reconvened a week later, this time carefully advertising the
meeting as a shipowners-only event. Mitchelson could not resist observing that had the owners turned out in such numbers first time, the result would have been different. This time the meeting was ‘unanimous on all the questions put before it,’ the most important being the formation of a Federated Shipowners’ Association of New Zealand. Ford insisted that it had to be national, not provincial, but the executive elected was an all-Auckland one: Edwin Mitchelson, Charles Ranson, D. Gouk, George Niccol, J. Cardlaw, Alexander Alison, R. Reynolds, Ernest Ford, A. Jagger, E. Craig, F.B. Winstone, and Captains J. Hull and G. McKenzie. The officers appointed were W. Smith (secretary), Thomas Henderson (treasurer) and M. McGregor (solicitor).

They were in business. But the seamen’s joke at the owners’ expense pointed to
wider changes to society that were lapping against the waterfront. The gap between employers and workers was widening, fracturing an industrial consensus that had held the country together for a decade and a half. Open industrial warfare was still a long way off, but the shipowners’ belief that they needed an umbrella organisation showed that they sensed danger.

Before resuming the Federation’s story, we should say a few words about the state of the maritime sector. A glance at some old photographs will show that they did things differently then. Some differences are easy to spot. The ships, for instance. By modern standards they were small. At Auckland’s Queen’s Wharf, Oamaru’s Sumpter Wharf or Port Chalmers’ George Street Pier, the biggest overseas ships were less than half the size of a modern coastal tanker. Despite that, crews were large, for there were few labour-saving devices apart from power winches on the newer steamers. The ships were powered by steam or sail, not diesel. Sail was a spent force. The big UK-trade steamships, the ‘Home boats’ (many colonists still called Britain ‘Home’) had already replaced the elegant full-rigged ships and barques on the country’s main export route. A rag-tag fleet of barques and barquentines still eked out a twilight trade to Australia or to the Pacific Islands, handling cheap bulk cargoes, and on the coast sail was still common at the tiny river ports and anchorages in northern North Island. Elsewhere steam was king; a forest of tall funnels and masts stuck up above every wharf, and thick black coal smoke clogged the air.

Ship ownership was also different. Britain’s Red Ensign flew proudly in every port. In 1906 British companies owned the Home boats and a good chunk of the Union Steam Ship Company, the ‘Southern Octopus’, which dominated New Zealand’s Pacific Islands, trans-Tasman and coastal trades. But New Zealanders also owned many coasters and Pacific traders. In addition to the Union Company’s massive fleet there were numerous small steamers and a large but diminishing fleet of scows, schooners, ketches and cutters. Many were owned by individuals or by single-ship partnerships, often using the ancient 64ths system of dividing up shares in a vessel, giving ships’ masters or officers a stake in the success of the ships they commanded.

The Official Year-Book tallied up the New Zealand registered ships for 1907. Sailing vessels (323) still slightly outnumbered steamers (305), but the gross tonnage of the latter (150,828 tons) put the old wind-bags (46,373 tons) in the shade. Dunedin, home to the Union Company, was the country’s main shipowning-centre with 83 steamers of 117,025 tons and 39 sailing ships of 13,761 tons registered there, making it the heavyweight in the ship-owning stakes. Auckland was next, 128 steamers of 16,503 tons and 209 sailing ships of 20,076 tons, followed by Wellington (39 steamers of 8,198 tons and 24 sailers of 3,978 tons).

All this bustling activity gave shipping a high profile. Not even the impending completion of the North Island Main Trunk railway line (1908) would greatly
reduce New Zealanders’ dependence on sea transport. They travelled to work by steam ferry, crossed Cook Strait in steamers, and sailed between Onehunga and New Plymouth and from Wellington to the West Coast ports. In addition, many coastal and trans-Tasman freighters carried passengers between ports, enabling people to hop around them easily. Anyone wanting to visit friends or relatives in Australia or in Britain travelled by sea.

Tens of thousands of people worked in shipping, crewing ships, working cargo, booking cargo space and victualling, repairing and building ships. So shipping was big business. It was also hard, dangerous, competitive, volatile and politically sensitive. Politicians, farmers and merchants expected the country’s wharves to work like clockwork and resented the merest threat of disruption. The big Maritime Strike of 1890 had brought much of the country to a standstill. So would another one in 1913.

This, then, was the shipping industry the Auckland shipowners knew as they tried to forge their national organisation. So far they had been local players. At the 8 August 1906 meeting, one owner explained that a small association had been formed earlier ‘to fight the question of extended river limits and the Shipping & Seamen Act.’ They had had some success in protecting this loophole which exempted them from many of the manning and safety standards applicable to coastal trading vessels. In 1904 the government had appointed Captains John Bollons and Theodore Haultain as Commissioners on River Limits and Extended River Limits. After holding hearings at Auckland, they decided that ‘that no good or sufficient reason has been shown why the present limits should be altered.’ The shipowners had won, but they knew that the

Timaru early last century. A coastal vessel (left) shares the wharf with a Clan Line ‘turret ship’ with its distinctive hull shape, which is loading wool for Europe. At the entrance the dredge is engaged in its unceasing battle against silt.
issue would not go away. So they gave the balance of the £150 they had raised to the new Shipping Federation, whose second annual report later acknowledged that it had inherited the assets of what it called ‘the Auckland Steamship Owners’ Association.’

The modern Federation’s office holds a certificate stating that it was first incorporated on 16 October 1906. A month later it was reported as being one of many organisations to send condolences to Minister of Marine J.A. Millar on the death of his wife. But that is all. The Auckland Steamship Owners’ Association – if it was ever formally constituted – left no records and the early activities of its successor, the New Zealand Shipping Federation, went largely unnoticed by the newspapers.

We are trawling in deep silences, but the few shreds of evidence show that the early Federation remained very parochial. In 1907, for example, it lobbied for ‘an efficient Water Police Service at Auckland.’ In 1908 it asked the harbour board to provide patent slips for repairing small ships. It took a close interest in Waitemata Harbour and Hauraki Gulf lighthouses and navigation devices. Despite its name, it was still provincial. One of its few battles outside the region in 1907 involved the Cook Strait freighter Wakatu. Federation members foiled a Seamen’s Union attempt to prohibit firemen from doing greasing ‘as this, if successful, would have resulted in enormous extra expenses to owners of small steamers.’

We know a little more about the men who sat on the Federation’s executive – or most of them anyway. The early annual reports did not list the executive in full, merely naming the president and those members who retired each year in terms of the constitution. The 1907 report lists them as David Gouk, James Mennie, Frederick Winstone, Ernest Ford, George Niccol and George McKenzie; only Gouk and Ford offered themselves for re-election.

Federation president Thomas Henry White, a sawmill manager, owned nothing that could float, although he had previously taken 8/64s in the scow Alma. David Gouk was a shipwright. He had owned ships since the mid-1860s, though in 1907 his shipping investments were confined to the big scow Zingara (211 tons) built the previous year by fellow Federation member George Niccol. James Milne Mennie was a biscuit manufacturer who dabbled in shipping. His Auckland factory employed around 80 people and turned out biscuits, confectionery and jam. In 1907 he owned two ketches, the old Clematis (67 tons) and the 50-ton Rock Lily, but he was leaving shipping. He sold the Rock Lily in 1907 and the Clematis a year later. George McKenzie was a master mariner and shipowner. In 1907 he owned a quarter share in each of the schooner Saxon (58 tons), cutter Tararawa (44 tons) and the ketch Will Watch (79 tons), 21/64ths in the ketch Hikurangi (73 tons) and that year he bought a half-share in Mennie’s ketch Rock Lily. Ernest Ford was a shipping agent and coal merchant. In 1906 he had sold minor investments in several ships and now owned the 83-ton schooner Southern Isle outright.
Two of the men were of more enduring importance to Auckland’s shipping scene. Frederick Winstone’s prominent mercantile family had owned small trading vessels for decades. In 1907 he owned half of the 94-ton ketch Coronation (sold that year), one-eighth in the auxiliary schooner Kaeo (184 tons), and 48/64ths in another Niccol-built ship, the 65-ton schooner Hero. Niccol was a member of the city’s premier shipbuilding family. Like many shipbuilders, he also owned ships, sometimes built on spec. In 1907 he had the barques Empreza (249 tons) and Zelateur (557 tons, both sold that year), the 56-ton schooner Era and the barque Manurewa (371 tons).

The 1908 annual report listed Ernest Ford, Charles Ranson, Thomas Henderson and James Bradney as retiring from the committee and offering themselves for re-election. Ford we have already dealt with. The others were an intriguing mixture of the past and the future. Bradney and Henderson were like most of the men of the 1907 executive. Bradney was a waterman and ferry owner. In 1908 he had half-shares in the small harbour steamers Vivid (22 tons), Advance (18 tons), Pitoitoi (81 tons) and the Kaipatiki (53 tons). Henderson was the son of a prominent merchant and shipowner, part of the influential partnership Henderson &
Macfarlane, whose ‘Circular Saw’ line had traded around New Zealand and the Pacific for decades. Thomas Henderson Jr had been a prominent shore manager for the Union Company in Auckland and then in Hobart, but left that firm in 1904 to run Henderson & Macfarlane, no longer shipowners, but shipping agents.

Charles Ranson was the face of the future. He had never been an old-style shipowner, a shipmaster or a merchant buying into a ship to get a job or to carry his own goods. Ranson was a professional manager of the type that would become more common over time as shipping lines consolidated and as ships got too costly for individuals to buy. Ranson was an English accountant who had come to New Zealand in the 1880s. He had failed to establish a footing here and
was preparing to return to Britain when a shareholder in the struggling Northern Steam Ship Company mentioned that it needed help. The challenge interested Ranson, who asked to be made manager. The offer came in the nick of time for it as well. The company’s 1888 AGM debated winding up the business after four years of consecutive losses, but heartened by this new saviour, shareholders dumped founder Captain Alexander McGregor as managing-director and made Ranson manager. The move paid off. By 1907 Northern was Auckland’s premier shipping line, though still a minnow compared to the Union Company.

In 1908 the Federation formed a Wellington branch, chaired by W.E. Fuller. J.M. Deck, G.T. Hull. Robert Renner and Charles Seagar were the committee members and William Pryor was the secretary. Fuller and Deck never owned a ship. Merchant Robert Renner had been a minor player in the shipping scene since the early 1890s. In 1908 he had just bought the 30-ton steamer *Riwaka*. Charles Seagar owned an engineering firm. He no longer owned ships, but been involved with steamers between the early 1870s and 1901 when he sold out. Having a Wellington branch simplified doing business with the government and the Marine Department. But there was more to do than simply lobbying politicians and bureaucrats. Pigs may have flown. The Federation’s second AGM learned that it had defended the *Blenheim*’s captain against charges of cruelty when unloading pigs by sling at Wellington.

What can we make of this? Two things are obvious. The first is that these men were bit players, mostly in the ‘mosquito fleet’, the small scows, ketches and light steamers that still dominated Auckland shipping, but would have been considered anachronistic in Wellington, Lyttelton and Dunedin, where steel-hulled steamers and joint stock companies predominated. Only George Niccol with his barque *Manurewa* traded much beyond the province. And, with the exception of Bradney’s tiny harbour ferries, and Ranson’s Northern Company, these were not steam men; their ships were mainly wind-powered, hanging on in low-cost bulk trades such as timber, coal and building materials. While some Federation leaders rubbed shoulders with Auckland’s elite, they were also-rans in shipping. The tonnage of the Union Company’s Calcutta steamer *Aparima* exceeded that of everything they owned.

But their ambition exceeded their reach. As the name of the new federation – ‘New Zealand’ instead of ‘Auckland’ – and the use of the word ‘federation’ suggests, they aspired to form a national organisation at a time when the growing power of labour and the state was extending into almost every aspect of their business life through regulations about ship safety, industry training and representation on harbour boards.

There was even a small international dimension. The first AGM was told that the Federation had been represented that year by the Union Company’s managing-director Sir James Mills at the Colonial Merchant Shipping Conference held at
London. The conference had been called to harmonise British, Australian and New Zealand shipping legislation. The new NZSF corresponded with London-based Shipping Federation, which in 1908 asked it to lobby to establish a system for the medical examination of seamen before their engagement – Ernest Ford’s old hobby horse.

Unfortunately, Mills’s company steered clear of the Federation. In November 1906 the USSCo board received a letter from the secretary of the ‘N.Z. Shipmasters’ [sic] Federation advising of the Federation’s formation and asking the company to join, but they declined to join. The Federation’s first minute book (1907–11) has not survived, but the reference of the admission of the Blackball Coal Co (a New Zealand Shipping Co subsidiary) and of the big Shaw Savill & Albion Co in the minutes of 15 September 1911 and references to both the NZSCo and the Union Co shows that sometime between November 1906 and the middle of 1911 the big lines came aboard.

The Federation’s resources were committed to maintaining a delicate balancing act. Some of the work was strategic, as in 1907 when it emphasised the importance of the government providing adequate training for the seamen needed ‘for the efficient manning of our increasing mercantile fleet.’ Much, however, was reactive: demands for a beacon here, a slipway there, industrial arbitration and those pigs that may have flown at Wellington.

Of these, arbitration took the most time. Indeed, from its formation in 1906 until the passage of the Labour Relations Act 1987, but more especially the Employment Contracts Act 1991, the Industrial Conciliation and Arbitration Act 1894 dominated the workload of the Federation. What was the IC&A Act or the Arbitration Act, as it was often called? Although hailed by international social reformers as a keystone of New Zealand’s role as the ‘social laboratory of the world’ a hundred years ago, the IC&A Act was a creature of the times. The Liberal government had come to power in the aftermath of the country’s first nationwide industrial conflict, the 1890 Maritime Strike. The Liberals had close ties with the labour movement, but at their peak they also spanned small town and even rural New Zealand. They were ambitiously committed to what we would call social...
inclusiveness, and their attempts to bring labour and capital together lay behind radical Minister of Labour William Pember Reeves’s creation of a compulsory arbitration system. Although Reeves had many battles with the upper house, stacked by the defeated conservative premier with the governor’s connivance, his timing was right. ‘The essence of the political situation which allowed compulsory arbitration to become law in New Zealand in 1894’, historian Jim Holt wrote, ‘was that the unions, being industrially weak, lacked the will to oppose it, while the employers, being politically weak, lacked the power to prevent it.’

The IC&A Act set up an Arbitration Court (a government-appointed independent president and a representative each of employers and employees) and a number of district conciliation boards, each with its own clerk of awards. Workers’ unions and employers that registered under the Act (unions could choose to remain under the old Trade Union Act 1878) elected equal numbers of representatives to the boards which then appointed an independent chairman. Although intended to be relatively informal, the boards could summon witnesses and hear evidence, giving them a quasi-judicial status. Any employer could file a dispute with a conciliation board, but workers had to form a union (though the threshold was only seven people) and apply to the Registrar of Industrial Unions to register under the Act.

These conciliation boards settled most disputes locally. Their recommendations were not necessarily binding, but could be made so if filed in the Supreme Court. Strikes and lock-outs were prohibited while disputes were before the boards or the court. If the conciliation board’s recommendation satisfied neither party, it could be referred to the Arbitration Court, which could impose legal sanctions on any party not complying with its awards. Initially many trade unionists steered clear of the IC&A Act but its stocks rose in the opinion of many in 1897 when the Seamen’s Union dragged the Union Company before the court and won valuable concessions from a business that after the 1890 strike had blackballed former strikers, supported a tame shipmaster’s union and refused to deal with the seagoing unions.

Although updated periodically, the IC&A Act would set the framework for the Federation’s environment until the early 1990s, involving innumerable rounds of award negotiations, co-operation with other employers’ groups, and lobbying of politicians.

The absence of early membership lists makes it impossible to say who belonged to the Federation, let alone what they sought from it. What is certain is that the early Federation was small and lived hand-to-mouth. At its second AGM, Chairman T.H. White blamed the shrinking bank balance on absorbing the one-off benefits of the Auckland Steamship Owners’ legacy and ‘exceptionally heavy legal expenses during the year.’ White unwisely and incorrectly predicted a quieter, cheaper time in 1909. Industrial unrest was increasing, fuelled by inflation and
A Voice for Shipping

imported revolutionary syndicalist trade union dogma. In 1910 the committee reported that the burgeoning costs of industrial disputes had obliged it to levy owners an extra penny a ton to restore the Federation's books, which were looking redder than a Union Company funnel.

The 1911 accounts make intriguing reading. Subscriptions halved to £96/12/-, but a special levy of £118/17/10 and tonnage subscriptions of £117/12/11 pushed total income to £333/2/9, almost double 1910's £185/10/2. Expenditure was also down, with the 'salaries Auckland and Wellington' of £112.10.0 for 1910 being reduced to £79.17.0. The overdraft of £140.2.8 had been repaid and the Federation had just £1.6.2 in the kitty – about $175 in 2007 terms. The Wellington branch may have been a casualty of this economising. References to it cease after 1910.

By then new men were at the helm. T.H. White had died during the year and Ernest Ford had become president. There was also a new secretary. Founding secretary W. Smith had left for a better-paying job in 1910, but his successor, P.O. Roche, stayed only a year. In 1911 Roche was succeeded by that old Auckland shipping hand, Thomas Henderson.

The Federation was part of a small, cosy world. In the early 1900s, for example, the shipping industry held an annual dinner and smoke concert. At the third one, in September 1909, Huddart Parker's manager, C.W. Jones, presided, supported by J.A. Millar, the Minister of Marine, and the heads of shipping companies and senior harbour board employees. In the manner of the times, the proceedings were
a mix of fulsome toasts and of musical items, the latter sung by the managers and the skippers, with W.R. Watts drawing ‘lightning sketches’ of prominent shipping men, R.S. Cowan performing conjuring tricks and F. Blandford accompanying on the piano. There was also a football competition between the Union Company and the Combined Shipping Companies. In March 1914, on learning that the Union Company’s Wellington manager, W.A. Kennedy, was about to take a holiday, his colleagues wished him ‘bon voyage’ at the Grand Hotel, the session involving several toasts and the presentation of ‘a handsome suit case, with silver-mounted appointments’.

What finally gave the struggling little backwater shipowners’ organisation unexpected relevance was the drift to industrial confrontation. The Federation did some good work for shipowners, lobbying for their greater representation on harbour boards, but it failed to make much of an impression on the Shipping and Seamen Act 1909. ‘It is hard to understand why, in the face of the knowledge that the existence of the Dominion is dependent on its Shipping and consequent connection with the outside world, so much legislation of a harassing character and so many restrictions should be imposed, instead of fostering and assisting in every way an industry of such vital importance’, it wailed impotently in 1911 while warning that the 1910 amendments to the same Act looked no better.

By now the Federation’s time was largely devoted to resisting the demands of increasingly assertive trade unions, several of which had withdrawn from the arbitration system. In 1911 the Federation waded into several disputes or award hearings, the lengthiest involving the Auckland branch of the Shipwrights’ Union’s demand for a 25 percent pay increase. That year it opposed a claim by the New Zealand Merchant Service Guild (the officers’ union). The Federation labelled the Guild’s demands ‘so excessive that they could not possibly be entertained’; but while the court reduced the Guild’s claim, the officers rejected the court’s offer. As Federation members met for their 1911 AGM, ‘the majority of the officers have given 24 hours’ notice and left their vessels, some 30 steamers are now laid up.”

In 1912 and in 1913 it also spent considerable time on the issue of radio on coastal ships, an issue highlighted by the sinking of the Titanic. The Federation was not on the side of the angels. In 1913 it protested against ‘the installation [of radio] in the smaller passenger boats’.

While the NZSF spent increasing time opposing the unions through the formal mechanisms of the IC&A Act, it was a pussycat compared to its British cousin, known simply as the Shipping Federation. This had been formed in 1890 in the wake of the crippling London dock strike of 1889, ‘an age of permanent hostility between employer and workman, as a “permanent battle-axe”’. The Shipping Federation was, its official history conceded, ‘a fighting machine to counter the strike weapon, and it made no secret of the fact.” In its early years it was an active strike breaker, ran its own employment bureaux and was so confrontational that
to avoid too many broken windows it was found desirable to house Federation officials … anywhere except on the ground floor of a building.”¹⁴ Not until 1911 did the British body recognise the seamen’s union, although this ‘implied no admission at all that agreements would be negotiated with the union’¹⁵ In contrast, NZSF executive officers, part of that small, cosy world mentioned earlier, generally worked pragmatically with union officials. They had little choice, since their members often disagreed on tactics when confronting their employees.

In September and October 1913, however, major disputes broke out on the wharves and in the mines, igniting the second of New Zealand’s three greatest nationwide strikes. It was bitter, especially at Auckland, where events prompted the *Sydney Morning Herald* to talk about ‘a sort of modified civil war between the town and the country.’¹⁶

The strike failed for several reasons. As in 1890, the timing was bad. Winter was over, reducing the threat posed to the coal trade. It was also too early for harvesting, releasing thousands of potential rural strike-breakers. Finally, politics had taken a turn to the right. The Liberal government had fallen in 1912 after 21 years in power, toppled by William ‘Farmer Bill’ Massey’s conservative Reform Party which viscerally opposed any threat to farming exports.

Just as importantly, the union movement was divided. For years militant labour leaders had criticised the IC&A Act and the overloaded and unresponsive Arbitration Court as ‘Labour’s leg-iron’. Radical new ideologies challenged arbitration and even parliamentary democracy, and called for concerted direct industrial action – syndicalism. The almost strike-free atmosphere that had prevailed under the IC&A Act fractured from 1907/8 as more unions deregistered.

The Federated Seamen’s Union (FSU), the principal seagoing union (others covered shipmasters, ships’ officers, marine engineers, cooks and stewards and eventually even radio operators) was not particularly radical and kept aloof of the new anti-arbitration ‘Red’ Federation of Labour despite its members, ‘a distinct, clannish, and stroppy group’, sharing working conditions every bit as oppressive as the ones that so fired up the miners and wharfies in the Red Feds.¹⁷ The FSU was deeply divided. Its branch leaders disliked each other and each operated under differing rules. Auckland seamen, who crewed mostly small owner-operated ships, were the least militant. As John Kneen conceded, many ‘were small cockies who join them when their cows run dry,’ whose ‘love for the Seamen’s Union is similar to the weasel’s regard for a chicken.’¹⁸ The huge Dunedin branch had strong emotional and political links to the Liberals and to arbitration. Only Wellington’s
secretary, W.T. Young, was more fiery. This fragmentation and division contributed to the FSU being dragged into the watersiders’ and miners’ strike, just as it showed signs of collapse. The seamen’s chances were further reduced by the fact that in 1913, unlike in 1890, the ships’ officers stood by their employers.

The strike, with Royal Marines on the wharves and special constables (‘Massey’s Cossacks’) entered the folklore of the nation. The shipowners won hands-down, although there would be no wholesale repeat of the blacklists, the union-breaking and the other retribution inflicted on defeated unionists as happened after 1890. Unlike the 1890 strike, which sparked drastic changes to politics and industrial relations, 1913 changed very little. The industrial laws mitigated old-fashioned vengeance and in any case Reform, having observed militant attacks on arbitration, changed its mind. Massey, who had once called arbitration ‘un-British’, told Parliament that he was ‘prepared to certify as to its usefulness’. Even after the strike, New Zealand remained the third most unionised country in the world after Britain and Australia. The events of 1913, therefore, should be better seen as the short, sudden lifting of a steam vent.

The Federation took an active role in the dispute, but is clear that its most powerful member, the Union Company, remained more interested in an Australasian view as in a purely national one. Twenty years earlier, the ‘Southern Octopus’ had taken a leading role in the Australian-based Steam Ship Owners’ Association (SSOA), reconstituted as the Australasian Steamship Owners’ Federation (ASOF) at Melbourne in June 1899 at a meeting presided over by James Mills. In 1900 ASOF (renamed the Commonwealth Steamship Owners’ Association in 1905), had drawn up ‘a scheme of mutual defence’, including the USSC o’s Tasmanian steamers in a proposed common pool.

In 1913, with its extensive trans-Tasman and its Tasmanian coastal services, Australasia’s biggest shipping line, although run from Dunedin, saw itself as Australasian operator. Its New Zealand umbrella was the Employers’ Federation, to which it gave £250 (about $34,000 in 2008 values) to oppose ‘labour troubles and legislation’. But it kept a moderate, watching brief, aware of how costly trade disruption could be. In June 1913 it advised the closely-allied Westport Coal Company that while it would take no active part in industrial hostilities, if any part of its workforce did strike, it would insist on any new settlements being registered under the Arbitration Act.

When the seamen reluctantly and belatedly went on strike, Union Company managers resisted fellow employers’ demands to set up rival unions. ‘I realise that it would not be wise to press moderate counsels meantime’, managing-director Charles Holdsworth told David Aiken, in November, ‘though I think the extreme views of The Dominion do not make for a lasting settlement’. In December 1913 when the last holdout, the militant Wellington branch of the FSU, was trying to end the strike, the Union Company and the Wellington owners had to strong-arm
the Northern Company, which had backed a ‘scab’ union (the Auckland Seamen and Firemen’s Union) and had refused to recognise W.T. Young. In a compromise, William Pryor, the Employers’ Federation (and therefore Shipping Federation) representative, left the room, enabling the other shipping lines to push Northern to recognise both unions.23

The Federation had survived a baptism of fire and had come out, if not exactly on the side of the angels, at least on the winning side. It had proved adept at playing the arbitration system. But the burning question remained: could it come out from under the Union Company’s shadow to play a leading national role or was it doomed to be a forum for the tiddlers?

And could it maintain unity? In June 1912 it observed that the Northern Co had ‘made an arrangement independent of other owners.’24 A few months later the Canterbury Steam Shipping Co refused to join ‘as they do not approve of certain activities of Federation’, a reference to a recent industrial agreement with the Waterside Workers’ Union.25 The 1913 strike strained internal relations. In December 1913 the Federation’s Auckland and Wellington members debated their conduct during the dispute. The Aucklanders were angry about Wellington breaking ranks with other employers by agreeing to meet Young. William Pryor explained that the Union Company had already committed itself to doing this and that the Wellington shipowners felt that ‘there was a danger of the Union S. S. Co. breaking away from the other employers.’ Craig, an Aucklander, spoke strongly, stating that ‘he was perfectly satisfied that the seamen were anxious to get a settlement and this being the case why should not the employers be firm and refuse to allow the Union Co. to dominate the position as on former occasions.’ W.G. Foster replied that ‘it must be remembered that the controlling power was held by those outside of New Zealand.’ He regretted that Young had been met, but hoped that the agreement would ‘have the effect of more closely binding the Union Co. in their relations to the other employers concerned.’26

Clearly, there was work to be done.
Previous pages: Between the world wars, competition intensified between the state’s railways and coastal shipping, usually to the detriment of the latter. These coal wagons were photographed at Dunedin’s Hillside Railway Workshops in 1927.

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In 1914, New Zealand, as part of the British Empire, found itself at war with the Central Powers (Germany and Austria-Hungary, joined soon by the Ottoman Empire). For the Federation, however, that year’s major event was a thwarted merger proposed by Auckland’s Shipping & Stevedores Committee. In June the two parties approved the idea, but a month later the overseas shipping lines killed the proposal. Not for the last time local and overseas found themselves steering opposite courses.

Few coastal vessels were requisitioned during the war and even fewer were sunk. Only the big ‘Home boats’ and some of the Union Company’s biggest ships (most of which were not included in the tonnage levy used to fund the Federation) regularly sailed the dangerous Northern Hemisphere routes, so the war’s direct impact on the Federation was minimal. In 1915 it donated £25 to the hospital ship fund. In 1916 it joined the Shipwreck Relief Society. Mostly, however, it concentrated on local issues such as objecting to the Auckland Harbour Board closing the city’s graving dock.

Industrial relations still kept it busy. War had ratcheted up political tensions. Many socialists objected to workers being conscripted while capitalists and farmers profited in safety at home. This was not a view shared by the Federation. In December 1916 it criticised Labour MP Bob Semple for opposing conscription and condemned ‘endeavours to incite disloyalty or disaffection by seditious utterances or publications’. It wanted troublemakers punished severely, but though it criticised the FSU’s objection to conscription, it sometimes supported appeals by seamen considered necessary to maintain essential services.

The war pushed up living costs, fuelling demands for higher wages. In 1915 a new agreement with the FSU gave seamen 25 shillings a month more to compensate for inflation and guaranteed the preference clause (which compelled all seamen to join the union). Shipowners had traditionally opposed preference, but had been undermined by the unions convincing officials that it had helped them man troopships at short notice.
In September and October 1917 the fragile working relationship collapsed when the seamen on the smaller ships based at Wellington struck after the Federation rejected a claim for two-man watches. The Federation got the Employers’ Federation to transfer £1500 from its fighting fund and fought a successful, short, sharp fight. The owners held all the cards: the FSU was divided (in August the Dunedin branch’s secretary had been rolled amidst claims of irregularities and incompetence); the Arbitration Court backed the Federation’s interpretation of the agreement; and the government used the War Emergency Regulations to prosecute and imprison FSU Wellington secretary Tom Young and his assistant, Frank Howell, for ‘inciting a seditious strike’. So, the union leaders went to gaol and the Federation gave William Pryor £50 and typist ‘Miss McDowall’ £5 for helping send them there.

By the time the dust had settled the Federation had moved its headquarters to the capital. The Union Company would not move there from Dunedin until 1921, but the capital was already home to overseas lines, government departments and the stroppiest branch of the FSU, so the 1917 AGM supported the move unanimously. William Pryor and McDowall took over the national administration, allocating a small percentage of their time to Federation business. By now Pryor and his main employer, the New Zealand Employers’ Federation, had moved from Woodward Street to the National Mutual Life Association Building, at the intersection of Customhouse Quay and Hunter Street. On the first (later second) floor of that building, Pryor had an impressive list of secretaryships on his door: the New Zealand Employers’ Federation, New Zealand Gold Miners’ Federation, New Zealand Coal Miners’ Federation and, of course, New Zealand Shipowners’ Federation.

For a short time an Auckland branch continued to meet, serviced at least as late as 1921 by Thomas Henderson from the Ferry Building (where Henderson occupied part of the second floor). That may have been the office closure referred to in the Federation’s 1922 annual report. By then its national secretary was Thomas Otto Bishop, the new secretary of the Employers’ Association. Like Pryor, who had just died, Bishop had a mining background: the 1925 Who’s Who in New Zealand described him as an ‘inspecting engineer of metal mines’. The Employers’ Federation agreed to do the secretarial work for £300 per annum.

The early post-war years were turbulent. Shipping and cargo patterns were changing as increasing demand for petroleum products and a small spate of
accidents highlighted the issue of safety at sea. On the morning of 2 August 1918 fire broke out aboard the steamer Defender at King’s Wharf, Wellington. The old ship was loaded to the gunwales with cased benzene. When it the blaze got out of control, she was towed out into the harbour where she blew up spectacularly off Somes Island, rocking the capital. In September 1919 another small benzene carrier, the Tainui, caught fire off North Canterbury. The crew took to the lifeboat, but eight drowned when it capsized.

These were front page stories. In those days petroleum products were carried in tin cases, often scattered haphazardly among other cargo. Since some of these small coasters sometimes also carried passengers, the Marine Department announced a review of the regulations. It invited the Federation to join the committee, which also included oil industry representatives. Shipowners were particularly touchy about the Tainui, which was known to be carrying leaky cases. Although her owner, the New Zealand Refrigerating Co, was not a member of the Federation, it paid its solicitor, T. Shailer Weston, of Christchurch to represent shipping interests at the marine court of inquiry. This obliged it to levy its members, but considered the cost a bargain, because Weston quashed attempts to ban wooden ships from carrying petroleum products or cased oil on deck. Nevertheless, it was time to tread carefully. The Federation told members to strictly follow the new regulations by repairing faulty bulkheads and banning defective oil tins and smoking near cargo.

Industrial relations still dominated business. Workers had been complaining about rising living costs since the early 1900s, and as we saw, the war only increased these complaints. In 1918 the government enabled the Arbitration Court to amend awards during their currency to keep pace with escalating prices. While the economy boomed people could live with that. In 1920 when the Federation met the Seamen’s Union and signed a two-year agreement on wages and conditions, Tom Young, by now the FSU’s general secretary, called the meeting a pleasant occasion. A shipping company manager played waiter after the talks and the owners ‘turned on wine, biscuits, cigars and cigarettes.’

A year later the wine tasted like vinegar as the boom collapsed after export prices tumbled. At first the court resisted employers’ requests to cut the recent cost-of-living bonuses even though living costs actually fell. In 1922, however, after the Federation presented the union with a set of demands and filed a dispute in the Arbitration Court, the court, newly empowered to issue general wage orders, cut wages by five shillings a week, a twelfth of many seamen’s wages.

The Seamen’s Union was aghast. It had never liked arbitration despite some early successes with it. Historian Pat Walsh noted that when the Federation forced the union back to the Arbitration Court for the first time in 16 years, the union acted ‘with the enthusiasm of a grown-up child forced to move back into the parental home.’ The case seemed to take forever. The court convened in Auckland in May
1922, Dunedin in June, and Wellington in August. Tom Bishop represented the Employers’ Federation/Shipping Federation and Tom Young and others spoke for the union. Young, a classic ‘bush lawyer’, mounted a lengthy clause-by-clause defence of the 1920 agreement, but the dice were loaded against him. Although Justice Frazer heard the case because the employers claimed that falling prices justified cost-cutting, he refused to make them open their books. ‘I am not interested in any of the companies, and I am not concerned about any of the dividends’, he declared.36

In October Frazer handed down his decision. Although the award reconfirmed the right of qualified workers to preference, it cut wages a pound a month (20 shillings) and decoupled New Zealand wage movements from Australian ones. Young, aware that it could have been worse, and keen not to hurt Labour’s chances at the 1922 election, urged members to accept the deal. The Wellington and Dunedin branches agreed, but Auckland, traditionally the most placid, refused. At the end of October the crew of the Clansman gave notice. Soon more than 20 ships were idle.

Auckland’s militancy caught everyone off guard, the FSU leaders most of all. But they were no longer in control of things, for the dispute took a new turn when Union Company crews in Australia refused to take their ships to sea on the new pay rates and were imprisoned. Union Company managers, more aggressive than
in 1913, persuaded Massey to amend the Shipping and Seamen Act to let them employ inexperienced non-union labour. Shipping companies opened recruitment offices, protected by the police. There were so many people out of work that the companies could pick and choose freely. Some wharfies refused to work ships sailed by 'scab' labour, but they too were pressured into backing down, letting the ships move again. The seamen were on their own, unlike 1890 or in 1913.

And they were facing a better organised, more determined alliance of employers. The Union Company had an informer in the Seamen's Union's Wellington branch, so knew everything. The shipowners also won the battle of words. After rejecting a FSU offer to negotiate returning to work on the basis of the 1920 agreement, the Federation labelled the proposal 'a blow against the whole arbitration system', painting the union as a wrecker and shipowners as defenders of industrial consensus. Although some Union Company senior managers might have wanted a fight to the death, the Federation's socially-inclusive rhetoric was picked up so widely by the press that the owners had to appear reasonable.

This time the Federation was in the centre of things. In February the president, Captain P.A. Petersen, had attended an Employers' Federation meeting that decided that employers would stand together and everyone would enforce the court's reductions. On 9 November Federation and union representatives met at Wellington. 'They were not looking for trouble and hoped we were not', the Federation noted. 'That means you people will not do anything', Young said after hearing Tom Bishop's speech that the owners would observe the terms of the new award. Six days later, David Aiken, the Union Company’s general manager, told a special meeting of the Federation that Massey had approved his proposal 'to take all necessary steps to put ships to sea … The issue is clear cut and definite and the Union S.S. Company is prepared to absolutely see the matter through, and he hoped other Companies will do the same.' They formed a central committee to allocate labour.

It was the start of the busiest time in the Federation's history. For an executive accustomed to meeting monthly, the next few weeks must have been startling as it or its strike committee met daily, or near-daily. On 14 November, they voted to find a room in the Cuba Street area, which the Union Company staffed until late January 1923. So many men lined up to take the strikers' places that the Federation did not have to promise them much. On 17 November when 40 former navy men offered their services on the condition 'that they were not required to become members of the Seamen's Union at the termination of the Strike, and that they were given some guarantee of permanent employment', it declined to offer any guarantee.

The Federation had local and central government on its side. In November 1922 it persuaded the Wellington Harbour Board to restrict public access to the wharves. A few days later the board cancelled the secretary of the Cooks and
Stewards’ Union’s pass and told him that he would re-enter the wharf only on the say so of the Federation and carrying a pass supplied by the shipping companies. Central government was equally compliant. When the Marine Department insisted for safety reasons on including a certain percentage of trained seafarers in ships’ crews, the Federation went to Massey. And when Bishop refused to co-operate with the Labour Department in a prosecution, the Federation’s Strike Committee resolved that ‘if the Labour Department attempts to secure evidence from any other member of the Committee in a similar way, an appeal should be made to Mr Massey to prevent it.’

So the Federation won the dispute and things settled down. Yet tensions remained between workers and owners as each tested the other’s tolerance. In 1931, for example, Federation members spent most of one monthly meeting debating cutting morning teas for seagoing staff. The Union Company representative advised that it had cut these in 1921, but that the practice had crept back in despite reissuing decrees in 1926 and 1931. Sydney Holm moved ‘that morning and afternoon tea be cut out entirely and that an instruction be issued to all ships’ Masters accordingly’, but found no seconder. Most Federation members probably wanted to cut this ‘privilege’, but were held back by their old bugbear, lack of unity. A resolution backed cutting out tea and coffee ‘but [added that] it would be done only by unanimous agreement of the members.’ Of course nothing happened.

The other major issue of the hungry 1930s was intermodal competition, in

Competition from trains and trucks drove many of the country’s smallest ships out of business between the wars. The Northern Company’s Ranginui (158 tons) was one of the few new ships built in this size range. G.T. Niccol launched her at Auckland in 1936. She traded mainly between Auckland and Tauranga and Auckland and Whangarei until sold to new owners in 1957 for the Cook Strait trade. She had a long life, finally sinking in Fiordland in 1995 after nearly 30 years serving the venison and fishing industries.
this case between trains, trucks and ships. It was nothing new. In the 1880s the South Island main trunk railway had killed off many small coastal ports. While railway competition is sometimes exaggerated – coal, sleepers and rails were good business for ships – over time the expanding rail and road networks chipped away at sea trade. In the early 1920s, for example, the new Otira tunnel took the West Coast coal away from ports such as Dunedin, Oamaru and Timaru.

The first notes of alarm were sounded in the Federation’s 1929 annual report which noted that ‘in certain districts ships have had to be taken off the routes they have served for many years.’ Three years later, shipping lines, particularly those servicing northern routes, reported unprecedented rate-cutting by Railways.

That February the Federation and Railways’ general manager held the first of several fruitless meetings between the two organisations. A few months later, accompanied by Harbours Association of New Zealand (HANZ) delegates, the NZSF met the full Railways board, which listened politely and then bounced them back to its officials. A two-day session in September resolved nothing; nor did another joint NZSF/HANZ delegation to the Railways board 13 months later. In June 1934, therefore, Federation and HANZ delegates met the prime minister. The Northern Company’s Captain R.C. Hammond did most of the talking, since his small, short-haul craft were suffering worst of all. Hammond opened with the traditional reminder that coastal shipping was of strategic as well as economic value to country and empire. ‘Because of the insular and isolated nature of our Dominion,’ he warned, ‘our coastal services became a national requirement as the best ground for training our Merchant Navy.’ Then he ripped into the iniquity of state-owned businesses undermining companies owned by taxpayers. Hammond concluded by attacking the building of ‘uneconomic’ rail lines and criticising Railways’ new ‘per truck load’ or ‘truck loading’ system. The Federation wanted a tribunal to monitor rail freight charges.

Prime Minister George Forbes and Transport Minister Gordon Coates listened politely but had nothing to offer. Forbes, who liked to think of himself as a farmers’ politician, knew that farmers backed these changes at a time when their incomes were falling and they were looking for ways of cutting costs. ‘It was said that transport charges were still very much higher than the returns which the farmer got for his produce. So the government had been asked to lower railway rates,’ he replied. ‘Then there was the deputation today asking for the rates to be raised.’ He explained that the truck rate system (under which it allowed clients to hire empty rail wagons cheaply and re-sell unwanted space to others) simply matched road operators’ pricing policies. ‘If Railways were a business, they would have to compete too. It was no use standing on a fixed charge against competition,’ Forbes concluded, advising them to apply to the Transport Co-ordinating Board.

It was a fob-off, but the situation was more complicated than the Federation realised. Trucks were trouncing trains as rural New Zealand shifted allegiances.
Even shipowners and trucking firms were offering what NZR’s Auckland district manager called ‘linked up sea and road services’ in which the sea component enabled them ‘to undercut heavily in most instances the rates charged by rail.’ These factors lay behind the failure of the September 1933 talks. The department’s moves were ‘not aimed at shipping; but its new policy ‘to get business at any rate remunerative to the railways without regard to the effect upon shipping’ inevitably had that effect. ‘Consideration was given to the freight rates in parallel services’, Railways managers noted, ‘but in consideration of the need for a free hand to cope with motor traffic and other practical difficulties in the way, the railway officers would not recommend equivalent rates or consultation between Railways and shipping prior to any amendment of rates.’ Privately, they also doubted the Federation could hold its members to any agreement brokered. Its membership was voluntary, partial and members such as the Northern Company could be truculent.

They had a point. The Federation’s executive had been negotiating, blissfully unaware that its biggest member, the Union Company, had little enthusiasm for rate-fixing. Union was suffering from rail competition, but less than Northern, whose chairman, Ernest Davis, denounced the Railways at every AGM. When Wanganui MP W.A. Veitch drafted the Transport Rates Amendment Bill 1934, an informal meeting between the Union Company and NZR decided that ‘the draft bill went very much further than either of the Shipping Companies or the Harbour Boards intended’ by asking for a rates regulating tribunal. They decided to oppose...
Norris Falla, Union’s general manager, attributed the bill to Northern’s desire to ‘put some check on competition by the Railway Department’. His company could not openly oppose the bill but ‘was not at all favourable to the principle.’ At a cosy little chat in May 1935, therefore, Railways Chairman Sir James Gunson told Falla that ‘the Railways Department as the main land operator, and the Union Steam Ship Company as the chief sea operator should work together, and with this understanding there was really, from the point of view of the Railways Board, no necessity in the public interest for the formation of a Rates Tribunal as proposed in the Bill, which he, Sir James, understood might become a live question during the coming session of government.’

Early in 1935 the Transport Co-ordination Board, created by the Transport Law Amendment Act 1933, invited the Federation to appoint shipping representatives to nine district advisory committees. The board had some power over regulating air services, but virtually none over other transport modes. In any case, it would be sidelined when Labour came to power later that year. In May the Federation had still been anticipating the introduction of the Transport (Rates Adjustment) Bill to

The Union Company’s Korowai (2,525 tons) served for 37 years on the company’s trans-Tasman and coastal services. By the time she was launched at Glasgow in 1938, however, her triple expansion steam engines were something of an anachronism.
Parliament. This would have created within the Co-ordinating Board a Transport Rates Tribunal armed with the powers of a commission of inquiry to set rates and fares. ‘In short it will probably be the most drastic measure introduced by the legislature for the control of transport enterprises in the Dominion,’ Federation acting president W. Rogers told his AGM.45

But nothing happened. Labour’s election halted the changes and increased the uncertainty. Transport Minister Bob Semple, the socialist firebrand denounced by the Federation in World War I, abolished the Transport Co-ordination Board in 1936 and strengthened his ministerial powers. He talked vaguely about far-ranging transport control measures, but sat on his hands. Nevertheless, the Federation grew increasingly nervous about this reformist government. ‘Members must be prepared in every way for the proper protection of their own interests so far as it may be possible,’ Rogers (now president) told the 1936 AGM. ‘It is not at all unlikely that the present Government’s measure of transport control may prove to be one of the most important and far-reaching happenings of recent years so far as the shipping industry is concerned.’46

The Union Company’s trans-Tasman liner Monowai (10,852 tons) was one of the Federation members’ many ships to serve in World War II. She is shown here in Wellington as an armed merchant cruiser.
But Labour was more interested in labour reforms, housing and social security. Its major transport reforms were limited to nationalising several major road operators and putting their trucks under the control of the Railways Department. ‘There does not appear to be in this any hope for Shipping Companies’, Rogers complained in 1937, but at least their ships were left in their hands.

Inevitably the war took priority from 1939 on, but intermodal competition resurfaced in 1944 when the Northern Company and the Wanganui Harbour Board persuaded the Associated Chambers of Commerce to condemn ‘the present inequitable and uneconomic competition against sea freights by the New Zealand railways’ and to call for a government inquiry. The Shipping Federation endorsed this remit. When the maritime unions agreed, the the Department of Industry and Commerce appointed the Railways and Coastal Committee to investigate. The Shipping Federation’s Captain Sydney Holm was a member. The Northern Company’s influence was evident from the start: hearings were set down for Kaikohe, Kaitaia, Whangarei, Auckland and Wellington (Dunedin was later added). But once again, the results would disappoint the Federation. Despite all the fine words, cargo continued to leach away from shipping.

The 1930s had brought a few changes to the way the Federation did business. In 1935 when selecting an acting president to cover Peterson’s illness, the meeting rejected Holm’s nomination after W.G. Smith complained about Wellington’s domination of Federation business. The committee elected out-of-towner W. Rogers, but did not repeat the experiment after seeing the problems created by the absence of anyone to deal with unexpected issues.

War in 1939 brought more challenges than 1914–18. Few coasters had been taken over during World War I. In this war, however, many were requisitioned for naval work or were diverted to Pacific Islands support roles, sometimes under United States control. With ships in short demand, owners had to juggle competing demands to keep goods moving. A government-appointed Shipping Controller controlled shipping movements.

As the wartime regulations multiplied, more of the Federation’s time was taken up with wartime problem-solving. In 1944, for example, it negotiated to secure pie fruit for seafarers’ meals and for the supply of linen to the ships. In order to secure towels, tablecloths and tea towels it had to consolidate orders to induce mill owners to switch some manufacturing capacity away from military work. Restrictions on the supply of basic goods outlasted the war. In October 1945, for example, the Federation complained to the Ministry of Supply that shopkeepers favouring regular customer disadvantaged sailors ‘on account of [their] being unknown’. As a result, the Federation found itself distributing cigarettes and pipe tobacco to crews until the early 1950s. Micro-management was the order of the day.
In 1960 the trans-Tasman liner Monowai (10,852 tons) was laid up, the victim of air competition.

Previous pages: After the war, aircraft and trucks joined rail’s assault on coastal shipping. The Federation was especially critical of the Cook Strait air freight alliance between the state-owned railways and Straits Air Freight Express (SAFE), which operated Bristol Freighters. Note the NZR Rail Air logo.

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CHAPTER THREE

‘A rush of seething waters’ – post-war adjustment and technological change, 1944–75

On 30 March 1944 Federation members discussed establishing their own office. They had talked about it four years earlier, when Thomas Bishop, their secretary since 1922, resigned from the Employers’ Federation. But when G.H. Norman, the man they wanted, was conscripted they decided to wait. Not everyone was convinced about Norman. Kenneth McLeay (Richardsons) liked him, but felt that ‘he is not the type of gentlemen to take over for us.’ He feared that Norman would not be tough enough to stand up to ‘the very rabid unions’. Others disagreed. Norman’s old employer, the Union Company, believed that he had ‘the aggressiveness, if necessary.’ The president reminded them that they ‘needed a full-time man to conduct our business… I believe that we are on the eve of a lot of industrial trouble in this country. If we can get a man acting for us it will be a great benefit for us – a man who is just on tap and can take on anything that comes along.’

And so George Norman became the Federation’s first full-time secretary on 1 April 1944 for a salary of £800, (about $59,620 in 2009 values) aided by ‘typiste’ Miss L.M. Duske. ‘There was nothing personal in its relationship with Mr Camp in the motives behind this decision’ the annual report noted. Charles Camp (Bishop’s successor) given £25 by the Federation, expressed himself ‘very pleased with the generosity of the Shipowners’. The Federation remained affiliated to the Employers’ Federation.

Norman had come to know the shipping scene thoroughly in his four-decade-long career. During that time, he had sailed on Union Company ships, served in the army in World War I, rejoined the company as a purser, then switched to its shore staff, qualifying as an accountant and serving in the navy volunteer reserves in his spare time. During World War II he had served as the navy’s assistant to the staff officer, operations, in Wellington until released from service.

The Federation set up in the Maritime Building, just across the road from the city’s busy wharves. The 1919 building was more businesslike than beautiful, but its Takaka marble and sandstone reflected the power and prestige of lead
tenants the New Zealand Shipping Co and the Federal Steam Navigation Co. It was handy to everything. The Union Company and the Huddart Parker buildings were a short walk away, as were the shipping industry’s favourite watering holes, the producer boards and Parliament. The Federation occupied rooms 112 (its advertised address) and 114 and would inhabit the Maritime Building for the next 25 years, making two internal moves: in 1949/50 it moved up to the fifth floor, and in June 1954 it went to room 212, a space big enough to accommodate the executive (which had previously met in the Union Company building).

Independence came at a cost. Annual expenditure rose from £732.15.9 to £1140, but members seemed happy to pay. The Union Company increased its subscription from £100 to £887 and other members were levied proportionately. In 1947 the Federation joined the International Shipping Federation Ltd, at whose meetings it was usually represented by Union Company London staff.

In February 1953 Norman resigned ‘for personal reasons’ and was replaced temporarily by W.G. Mander until the new secretary, G.W. Mitchell, started in August. The female ‘clerks and typistes’ went largely unrecorded. Miss Duske resigned in June 1946 ‘on account of her approaching marriage’, a common move in those days. Her replacement, Miss M. Murrick, stayed after marrying in 1949,
but left four years later for health reasons and was replaced by Miss G. Chatfield. She left in the 1954/5 year ‘for medical reasons’ and was replaced by Miss N.F. Bradnock. And so they came and went.

The Federation’s skimpy annual reports indicate that staff or no staff, the executive stayed very hands-on. Captain Sydney Holm served as president until May 1947 when Vice-president Ken McLeay took over. McLeay, an Oamaruvian, had started as an accountant there for J. & T. Meek before going to Napier to build up Richardsons. He led the Federation until 1953 when A.R. Dyson took over. In 1957 Dyson was replaced by C.H. Crombie from the Canterbury Steam Shipping Co, who served until 1969 when his company ceased ship operation.

The immediate post-war years were challenging. Even before the war ended, the government lifted some of the restrictions on coastal lighting, wireless transmissions and on reporting shipping movements but most of the wartime bureaucracy, disruption and controls lingered on until the late 1940s as the economy struggled to switch from war production to the needs of peace. Fuel, electricity, labour, almost everything was in short supply. Over the winter of 1947, for example, power blackouts sometimes prevented the supply of electricity to ships at South Island wharves.

Worse, ships, shore cranes, wharves and rolling stock, worked hard in wartime, were suffering from deferred maintenance and red tape entangled everything. The 1945 annual report cautioned that peace would not necessarily restore business as usual. Or at least not overnight. ‘Conditions today can be likened to a rush of seething waters trying to find their level,’ Sydney Holm warned in 1946. ‘It is now for those in charge of Industries to face the future with determination, bearing in mind that heavy taxation for a long period may prevail; also that efforts are required for elimination of those controls which, although necessary during war conditions, should be done away with quickly.’ Railway competition, higher costs (mainly labour) and government regulation threatened profitability. ‘The position of the New Zealand Shipowners today is not a very happy one and our business is suffering from too much outside dictation and opposition,’ he complained while conceding that ‘if Shipping Companies are to regain freedom of operations they will have to insist on the relaxation of Government interference and to discard Government subsidies’ (a reference to wartime price support mechanisms). Shipowners were especially critical of the New Zealand Shipping and Seamen Amendment Act 1946, which gave maritime workers the 40-hour week.

This defensiveness resurfaced in 1948 when the Federation resolved to work with the Overseas Shipowners’ Allotment Committee and the New Zealand Waterside Employers’ Association (on which the OSAC and NZSF were jointly represented) to hire a public relations officer ‘to issue information to the Press from a central point with a view to protecting Shipowners’ interest.’ OSAC demurred, but the idea resurfaced in 1953 when the Federation hired the Charles
Haines agency to publicise shipping in selected trade magazines. Later that year, in a short, unhappy experiment, it commissioned broadcaster Jim Henderson to prepare radio scripts.56

The shipowners would have loved to do away with the Waterfront Control Commission (WCC). This wartime beast had been formed in April 1940 to replace the short-lived Waterfront Emergency Control Commission created earlier to control cargo-handling during wartime. In practice, the Commission took over many of the Arbitration Court’s functions and weakened the influence of the shipping companies, causing Sydney Holm to call it ‘a war measure … now unnecessary’ and ‘a severe burden on the industry’.57 In January 1946 he described it as ‘serving no purpose and creating needless expense’.58 Shipowner resentment increased when maritime workers were awarded the 40-hour week. In 1948 the Federation slammed the Waterfront Industry Commission (WIC, as the WCC was Auckland’s waterfront in 1951, showing a mix of overseas and domestic shipping. Under normal conditions port congestion made ship turnaround bad enough. Disputes such as 1951’s brought some businesses to a halt.
renamed in 1946) for ‘converting them [wharfies] from casual employees receiving high rates for the casualness, to permanent employees endowed with extraneous payments of an astronomical nature.’59 A year later the president repeated the message that ‘Commission control has failed to accomplish control over the men, has failed to correct the weaknesses pointed out by the employers, and they must be prepared to admit themselves that discipline is non exist[ent].’60 In 1949 he accused the 40-hour week of ‘operating to drive away custom from the sea.’61 Yet despite this repeated wailing and gnashing of teeth, the WIC survived, for it served the needs of the day, and not even National’s election in 1949 changed that.

The late 1940s were rough on the waterfront. Strikes and stoppages abounded, culminating in the June and September 1950 ‘Lamp Black Disputes’ and the 1951 strike/lockout, or ‘the Big Blue’. ‘The dispute took place in a climate of Cold War suspicion. The opposing sides denounced each other as Nazis, ‘commies’, traitors and terrorists’, NZHistory.net observes. ‘It polarised politics and split the union movement, leaving a bitter legacy that lingers to this day. The combatants couldn’t even agree on what to call the dispute – the employers and government described it as a strike, but to the waterside workers it was a lockout.’62

The dispute was triggered when employers refused watersiders’ demands for the 15 percent cost of living increase the Arbitration Court had given other workers. On 9 February the union rejected an offer of 9 percent. Four days later it banned overtime; on 15 February employers retaliated by imposing a two-day penalty. Events moved swiftly: on 18 February the ports came to a halt; on 20 February the government suspended the WIC; next day it declared a state of emergency and gave the wharfies until 26 February to return to work. When they stayed out, it sent troops to the Auckland and Wellington wharves (27 February), deregistered the Waterfront Workers’ Union (28 February) and suspended its funds (2 March).

Predictably, the Federation declared its ‘whole-hearted support in aiding the Government in every possible manner’. It called for making as many watersiders as possible permanent employees and – surprise, surprise – abolishing the WIC. Federation executive member Captain A.G. Hardy met the Minister of Labour, and the NZSF set up a special sub-committee. The unions were defeated after the famous 151 days, but the Federation would again be disappointed. The unions recovered quickly and persistent labour shortages gave workers the upper hand. And the WIC remained in business.

Haggling over wage rounds and working conditions dominated the Federation’s workload. In 1961, for example, the Guild demanded washing machines and refrigerators on ships. In 1964 the Seamen’s Union got shipboard televisions. In 1957, after a fire aboard the Pateke, the Federation formed a sub-committee to set the world-shattering standard for shipboard fire goings. A few years the issue was bridge stools for Guild members. And so on.
Despite these frustrations and the strikes, shortages and red tape, the postwar period was generally prosperous. The pessimists who predicted a repeat of the tough times that followed the last war were proved wrong. Ironically, prosperity caused more concerns than poverty. No hungry seamen crowded ‘the corner’ desperate for a berth. Instead, labour was in short supply and remained so well into the 1960s. As early as the war, the Federation had called for better training facilities and had backed the new Wellington nautical school. In 1952, concerned at the shortage of seamen, the Federation and the Seamen’s Union jointly persuaded the Minister of Immigration to admit 100 seamen as assisted immigrants. The Federation also backed similar bids by waterfront employers for stevedores and watersiders.

Another peacetime priority was reconstructing members’ fleets. Some ships had been sunk and others worn out by arduous war service, so refurbishing the survivors was the first priority. Next came new tonnage, albeit at a price. In 1951 McLeay complained about high shipbuilding costs; a 1000-ton capacity ship built in Britain in 1937 for £100,000 was now being quoted for £180,000–200,000. While inflation overstates the jump in the bare figures (the 1937 and 1951 costs were $9.5 million and $10.3–$11.5 in 2009 values respectively) the
smaller companies nevertheless struggled to meet the costs. Somehow, the Union Company’s subsidiaries, Richardsons, Canterbury, Holm and Anchor, rebuilt their fleets with modern British- and Dutch-built motor vessels into the early 1960s. The Union Company completely modernised its fleet during the same period and the Northern Company, its traditional short-distance trades falling to road and rail competition, bought several 1000-ton coasters for inter-island trading.

On the surface it looked good. A new generation of modern motor vessels linked coastal ports, displacing old steamers and motorised scows. But a technological revolution was about to unseat their plans. Shipowners had shown that they could handle industrial unrest, waterfront delays and capital financing. They had less success dealing with intermodal competition, state subsidisation of competing transport, and revolutionary technological change.

Chapter 2 discussed rail competition. Competition from road transport took longer to emerge, although as we saw, its tussle with rail transport had spilled over into some short sea routes as early as the late 1920s. Labour restricted truck operators to protect the rail network, but the bigger vehicles available after the war undermined more small coaster. At first few took much notice. The withdrawal of these tiny ships barely dented coastal shipping’s share of the transport pie and seamen probably cheered the departure of these old rust buckets.

Air and rail competition was different. Federation concerns about air and rail transport were compounded by their ownership by the state. In 1945 the government had nationalised Union Airways, turning it into National Airways Corporation and giving it a near-monopoly of domestic aviation. Although the Federation’s 1943 annual report had noted American views on post-war long distance air transportation, the topic did not resurface until 1953 when the Federation made a submission to the Air Services Licensing Authority (ASLA) in opposition to a Railways Department application to extend a license held by its partner, Straits Air Freight Express (SAFE), to carry cars accompanied by passengers between Woodbourne, Nelson and Paraparaumu (then Wellington’s major airport). The Federation lost the appeal, but won some concessions around fares and freights.

By now aircraft were biting into some sea services. In 1952 the Anchor Company blamed high costs and air competition for withdrawing its Wellington-Nelson passenger ferry Ngaio. Shipping lines forced the government to hold an inquiry, and the big, elderly ship soldiered on until April 1953. She was the wrong ship anyway, but the review gave the Federation the opportunity to complain that shipping lines paid lighthouse dues while airlines contributed nothing towards navigational aids and airports. The Civil Aviation Charges Regulations 1954 brought in user charges, though too low for the Federation’s liking.

Since operators had to apply to the ASLA to introduce new aircraft, start new services or alter fees and fares, the Federation became a submitter to its hearings. In
1956 it participated in an important review of two Cook Strait air carriers’ charges, but achieved only minor reductions to the discounts airlines could offer shippers of ‘filler cargo’. Would the government or its minions ever treat shipping fairly? In 1958, against strenuous Federation opposition, the Apple & Pear Marketing Board flew much of the Marlborough crop from Blenheim to the North Island.

That suspicion of government also applied to local government. In 1958 the Auckland Harbour Board tried to become the airport authority for the proposed new Mangere International Airport. ‘The Federation took a very lively interest in these developments and strongly objected to the Board’s intended action,’ and it made a submission to the Local Bills Committee. It was delighted to see the Auckland Harbour Board (Airport) Empowering Bill ditched.

That rare victory did not compensate for a near-unbroken series of losses at ASLA hearings. In 1961–2 the Federation appealed unsuccessfully against SAFE plans to add five Bristol Freighters to its Cook Strait service and NAC’s application for a sixth DC3 air freighter. ‘Members will appreciate that although the Federation’s opposition from time to time to any increase in the number of freighter aircraft licensed is rarely, if ever successful’, C.H. Crombie reported, ‘such opposition does require the applicant operator to make a case at a public hearing and discourages any tendency for the acquisition of licenses for additional freighter aircraft to be regarded as merely a routine matter.’ That was all very well, but how many defeats could it endure? In 1963, ‘having regard to Counsel’s expressed opinion that the Licensing Authority regarded the Shipowners as interlopers in proceedings before it’, the executive ‘agreed that there would be no further appearances before the authority’.

In any case, the Federation was more worried about the state’s railway than its airline. In April 1945 a committee of inquiry investigating shipowner complaints about uneconomic pricing had recommended establishing a tribunal to hear complaints. In 1947 a special committee to investigate complaints about uneconomic freights in the Auckland region formed by the Minister of Stabilization ‘reported in favour of the shipping companies concerned’ and led to some railway charges being increased. But although shipping people met Railways and its ministers, ‘uneconomic competition’ persisted. In 1951 the Federation fulminated that:

The policy adopted by the Railways Department of granting local rates to Coastal ports served by shipping can only be interpreted as a means of forcing Coastal shipping out of such trades, and is inimical to the National

Right: Although the coastal lines rebuilt their fleets after the war, the ships used conventional technology. The top photo shows the traditional wooden hatch covers of the Kanna (955 tons), a war-surplus ship bought by the Union Company in 1946 that traded between Dunedin, Oamaru, Timaru and Lyttelton and northern ports for 20 years. The lower image is of the newer coaster Pukeko (1,020 tons) at Auckland loading one of the small non-standard containers her owners Richardson & Co experimented with in the 1960s.
interest. Can there be any justification for a policy which discriminates to such an extent that the railage on certain commodities is the same to an inland town as that to a seaport which is 104 miles further? Then again, by a combined local rate to railheads and low road service rates to seaports further inroads are being made into Coastal trade...

We consider that the sole solution to the uneconomic competition between Rail and Sea is the abolition of local rates to these ports served by Coastal Shipping. The abolition of Class E rate from the Railway Tariff Schedule is desirable and in the interests of railway revenue. Then, and only then will we witness a return to normal trading whereby Railways will receive a fair share of traffic at an economic figure and likewise, Coastal Shipping will also receive its fair share of traffic at an economic figure.

In 1954 the Federation formed an Emergency Freight Committee to decide quickly 'on those occasions when competitive rates were quoted by other transport services'. Rate fixing acted like a black hole, swallowing up prodigious amounts of time. It was a Byzantine system. After the government scrapped wartime subsidies in the late 1940s, the shipping lines first set mutually acceptable rates for every conceivable commodity on every route, then sought government permission for the proposed increases. Commodities discussed by the Federation executive included: ‘fibreglass boats – cabin type runabouts’; macaroni in 25.4-kilo bags, pork, ammonia cylinders, tobacco leaf (in cases), second-hand oil drums, newsprint cores and ‘bread rolls in deep freeze ex Onehunga’.

In 1962 the roll-on, roll-off rail and car ferry Aramoana (4,160 tons) began the biggest shake-up in the history of domestic shipping. Within little more than a decade almost all general cargo travelling between the islands would switch from conventional coasters to this ship and her fleet mates.

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The Union Company replied by building modern ro-ro coastal cargo ferries, the *Hawea* (2,268 tons) and the *Wanaka* (2,769 tons) of 1967 and 1970 respectively. These photographs show the latter after launch at the Taikoo Shipyard (top, note the Auckland port of registry, which was changed to Dunedin before she entered service) and at sea. It was said that each vessel could do the work of three similar-sized conventional vessels, but both were sold in 1976.
Things were about to get worse on Cook Strait. Its ferry services which, after the withdrawal of the Ngaio, now comprised the Union Company’s two-ship Wellington-Lyttelton ‘steamer express’ service and its Wellington-Picton Tamahine. The ‘Tam’ was ageing, but the company showed little interest in replacing her with a modern roll-on, roll-off (RO-RO) ferry. It was a fatal mistake. Until then Railways had failed to dent interisland shipping because of the delays and the double-handling involved in loading and unloading wagons crossing from one island to the other. With a RO-RO ferry, Cook Strait would become a near-seamless link in the national railway and road network.

The Union Company’s shortsightedness opened Federation members up to the risk of their arch-rival NZR running a RO-RO ferry and adopting predatory pricing to capture their cargo. The Federation pleaded with Cabinet ministers, but the government ordered the 4,160-ton Aramoana, which was launched in Scotland on 24 November 1961. She entered service on 13 August, 1962, revolutionising coastal shipping. Although private car owners grumbled about high rates, shipping companies made the opposite complaint. ‘We have now felt the initial effect of the Department’s operations and we know that we are competing with a Department which is determined to secure cargo which would ordinarily be carried by sea,’ the Federation warned in 1963. ‘Until recently the Department, in fixing special rates,
has been required either to publish such rates in the *N.Z. Gazette* or to give public notice of them… As members are well aware the 1962 amendment to the Railways Act has removed this obligation and there can be little doubt that its removal was sought in order that the Department would, in canvassing for business, have an additional advantage over competitors.”

In 1967 the Federation protested strongly over North Otago egg shipments. Port Freighters Ltd had applied to the No. 9 Transport Licensing Authority to truck eggs from Oamaru to Lyttelton to be shipped to Wellington. The Otago Egg Producers’ Co-op claimed that this would save growers $28,850 a year, but Railways appealed and won, claiming that it stood to lose $86,000 p.a. The Authority agreed that ‘the general manager of railways would be adversely affected to a material degree.’

Pity the shipping companies were not given similar protection. With a second rail ferry on order (the *Aranui*, 1966), the lines tried to lift their game by using pallets, containers and RO-RO ships. Northern trialled pallets, Holm introduced small 3.5-tonne containers, and the Union Company made its interisland ferries RO-ROS and put the RO-RO freighter *Wanaka* on the run between Auckland and the South Island. But they could not dent the effective combo of Railways and private sector freight forwarders (who booked space on trains and the ferries and marketed it to clients) that gave shippers a door-to-door service and faster transit times.

The Federation’s membership shrank under this onslaught. It had already suffered. In 1956 its international members had resigned en masse – the New Zealand Shipping Co, Shaw Savill & Albion, Port Line, Blue Star and Huddart Parker, saying that ‘there was little of mutual benefit to be gained from continued membership.’ It was hardly surprising. The Conference Lines had the services of the Overseas Shipowners’ Committee and the Overseas Shipowners Allotment Committee (later the New Zealand-European Shipping Association). At the other end of the ship size scale, the old mosquito fleet virtually dried up. In 1957 ICI resigned after selling its small coaster *Piri*. In 1960 two foundation members resigned. Winstone Ltd laid up its last coaster, and Leonard & Dingley Ltd, once a ship operator but now a stevedore, resigned since the New Zealand Port Employers’ Association now represented its interests.

On 31 March 1961 the Federation’s membership comprised 18 companies and one association of scow owners. The early 1960s saw an Indian summer: in 1961/2 the Kaiapoi Shipping Co, Shaw Savill & Albion, Port Line, Blue Star and Huddart Parker, saying that ‘there was little of mutual benefit to be gained from continued membership.’ It was hardly surprising. The Conference Lines had the services of the Overseas Shipowners’ Committee and the Overseas Shipowners Allotment Committee (later the New Zealand-European Shipping Association). At the other end of the ship size scale, the old mosquito fleet virtually dried up. In 1957 ICI resigned after selling its small coaster *Piri*. In 1960 two foundation members resigned. Winstone Ltd laid up its last coaster, and Leonard & Dingley Ltd, once a ship operator but now a stevedore, resigned since the New Zealand Port Employers’ Association now represented its interests.

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resigned, partly balanced by the admission of the Guardian Cement Co. In 1968 Frankham Shipping Co, a member since 1938, withdrew from shipping. In 1969 another small operator, the Pearl Kasper Shipping Co Ltd, ceased trading. Saddest of all was the 1966 resignation of scow *Echo* owner T. Eckford & Co, a member since at least 1911.

By May 1969 the Federation’s membership was down to 13 companies and the Auckland Scow Owners’ Association. The Union Company dominated – the parent company, Anchor Shipping & Foundry Co, Canterbury Steam Shipping Co, Holm Shipping Co, and Richardson & Co. The other members were Northern Steam, tug and barge operators Parry Bros Ltd, New Zealand Fisheries Ltd, and the Karamea Shipping Co. Also there was a new breed of predominantly industry-owned bulk shippers: Guardian Cement, Tarakohe Shipping Co, Wilsons (NZ) Portland Cement and Shell Oil NZ Ltd. In October 1969 consolidation within the Union Company’s troubled coastal empire saw Canterbury and Richardsons’ ships transferred to Holm Shipping management, effectively cutting Federation membership to 11, almost half the figure of six years earlier. In 1970/1 Shell Oil NZ resigned after selling its tanker *Maurea*; Shell had been a member since 1929.
The mid-1970s brought sweeping changes to shipping, further reducing the Federation’s membership. The old under-500-tonners had gone during the 1960s. Now it was the turn of the still-young 1000-tonners, the victims of road/rail competition. In 1972 the Union Company absorbed the remnants of the Holm fleet. A pioneer member of the Federation, the Northern Company, withdrew from shipping in late 1974. By 1977, when the Karamea Shipping Co sold the last Cook Strait mosquito fleet vessel, the *Te Aroha*, membership was just seven companies – Anchor Dorman Ltd (formerly Anchor Shipping & Foundry Co), the Union Company, Parry Bros, Tarakohe Shipping, New Zealand Cement Holdings Ltd, Maritime Carriers New Zealand Ltd, Wilsons (N.Z.) Portland Cement Ltd – and the Auckland Tug and Scow-owners’ Association.

The loss of so many members dealt a double blow. Income fell. In the year ended 31 March 1975, the Federation brought in $14,012 ($122,797 in 2009 values), little more than it had collected 20 years earlier (£2,545.15 in 1954/5, worth $118,924 in 2009 money). It also lost experience and internal memory as executive members departed.

In 1969 the lease on room 212 of the Maritime Building expired and could not be renewed. The Federation moved to room 325 in the DIC building on Lambton Quay. Two years later Mitchell asked to retire as secretary. The executive persuaded him to extend his term until 1 May 1972 when A.G. ‘Mac’ McKenzie took over. Two years later Miss E. Rolfe succeeded Mrs Holmes, the typist for several years. With new hands on deck, the question was how long could the ship be kept afloat?
State participation in shipping peaked in the 1970s with the launch of the Shipping Corporation of New Zealand. Its 1978-built container ship *New Zealand Pacific* (42,776 tons) was the country’s largest general cargo carrier.

CAPTAIN M.H. PRYCE

Previous pages: Capital and labour united in 1994 against National’s open coast policy. Here the Seafarers’ Union president Dave Morgan, in his trademark hat, shares the platform (a Pacifica trailer) with Pacifica Transport Group chief executive Rod Grout and Labour politicians Helen Clark and Harry Duynhoven on the Wellington waterfront. ‘We had quite a crowd come along, like speakers corner really except we were the only ones giving an opinion,’ Grout recalled. Pacifica’s Ro-Ro ship *Spirit of Freedom* is in the background.

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CHAPTER FOUR

Sea change? From arbitration to advocacy, 1975–2008

The election of Norman Kirk’s 1972–5 Labour government marked the high water mark of the state as a ship operator. But the creation of the Shipping Corporation of New Zealand, Kirk was not a radical departure from the course followed by his predecessors. That was hardly surprising. National Development Conferences were all the rage. As the world struggled to recover from the war, most people saw centralised planning and state intervention as useful for the rational and fair allocation of resources and for meeting the challenges posed by port congestion and new technology (pallets, containers and side- and stern-loading ships). So, the 1960s spawned a series of committees and commissions – the Streamlining Report, the Molyneaux Report etc.

The Streamlining Report called for at least 60 percent of European-trade ships to call at no more than two New Zealand ports per voyage. The Molyneaux Report (1967) recommended a four-ship North Island-only container service to Europe, and the follow-on Metra Consulting Group Report two years later followed the general trend.

Although Molyneaux and Metra had little direct impact on coastal shipping, the Federation feared that harbour boards would neglect the needs of the smaller ships as they geared up to handle foreign container ships. In 1967, when the Transport Commission recommended a new body to oversee port capital investment, the Federation warned it against meddling in business better left to harbour boards and shipping lines. Any new organisation should be purely advisory. It strongly opposed both the Streamlining Report and the NZESA’s claim that cutting the wharfies’ working day from ten hours to eight would lift their productivity. Federation President Cecil Crombie snorted that “on occasions it has been confidently predicted by Ministers of the Crown and lesser prophets that shorter working hours and higher rewards for labour would completely transform the waterfront scene, we must hopefully await this transformation.”

Nevertheless, the changes went ahead anyway. The government formed the New Zealand Ports Authority and the wharfies got their new working hours. Even
a measure designed to help trucks compete with trains, the removal of distance restrictions in 1983, increased domestic shipping’s woes. Sunset industry? It looked like it was in full eclipse. By the mid-1970s the rail ferries had taken practically all the general cargo, leaving only a handful of tankers, cement ships and the Shipping Corporation’s RO-RO Coastal Trader. Domestic shipping had vanished from the radar. The only time politicians thought about it was during ferry strikes and even the harbour boards were preoccupied with building export container terminals.

The Federation’s conservatism had not helped. The Holm, Canterbury, Richardson and Northern managements had sunk their capital into ships that technology had rendered obsolete long before their hulls and engines wore out and now struggled to protect those investments. In 1967, while calling for new ships, Crombie had called tugs and barges – shipping, after all! – a threat. He stepped down in 1969 and the following year’s annual report accepted that ‘owners must look very seriously at adopting new methods in the way of bulk carriers, roll-on, roll-off ships, side port loading or tugs and barges.’ It smacked of a deathbed
conversion. The 1970s brought a series of Union Company presidents to the Federation; McKay left after Holm was folded into the Union Company’s cargo division in 1972 and was succeeded by Brian Cole (1973) and then Peter Maxwell (1973) and R.J. Ross (1978).

Jim Ellis, who was general manager of the Northern Company during this period, remembers that the Federation’s monthly Thursday afternoon meetings were often ‘rather light on business.’ ‘In general the Union Company had an undue strength in all situations – and a rather dictatorial attitude in finalising agreements which involved unions,’ he recalled:

Some things would cause irritation … the Union S.S. Co was owned by the P and O Group in the UK and we never saw any [financial] results published. We could often add (two & two together) things up, when sometimes we were asked to agree to certain freight adjustments, on which we might differ, but which gave us an idea of opposition current thoughts. We had a particular instance when in changing circumstances we terminated a service from the South Island – which was being picked up by one of those [Union Co] associated companies in the South Island. They indicated a freight rate increased by one hundred per centum on ours, which killed the traffic for a period!’

Industrial negotiations kept everyone busy. Five Federation members and five NZESA representatives made up the New Zealand Port Employers’ Association, which negotiated ‘general purpose orders’ with the watersiders (harbour boards dealt direct with the Harbour Workers’ Union). In addition to the New Zealand Shipping Companies’ Clerks and the Ship’s Watchmen’s and Caretakers, there were annual negotiations with the Seamen, the Guild, the Institute of Marine
and Power Engineers, and the Cooks and Stewards. This bargaining revolved around movements in the cost of living, general wage orders and bids to alter or improve wage relativities. Sometimes there were specific demands for better working conditions (bridge stools, colour TVs) or safety improvements (from 1 March 1968 Guild members refused to sail ships of over 300 grt not fitted with radar). For a few months in 1973 the Federation even ran a scheme to distribute industrial clothing to seamen.

The Federation could not even claim to speak for all shipowners because the state ship operators – NZR, the Shipping Corporation, Islands Affairs and the Ministry of Transport – steered clear of it. In 1972/3, the Federation spent over a year vainly courting Railways after the minister casually said that he favoured NZR becoming a member. In April, a senior NZR manager attended a Federation executive meeting as an observer, but that was it. For almost a year the Federation lobbied the government until NZR finally sent a rejection letter in September 1973. Labour’s new Shipping Corporation also stayed out. How was it possible to take joint action when half the employers – the growing half – were outside the tent?

A solution emerged when representatives met informally to create the Maritime Employers’ Association (MEA) on 1 June 1975. This was a loose-knit grouping of maritime employers comprising all members of the NZSF, the State Services Commission (the government also employed crews on research ships and on the Marine Department’s Stewart Island ferry Wairua), NZR, the Shipping Corporation and the oil companies (represented by BP New Zealand Ltd). Container Fleets (NZ) Ltd (which operated the container ship Aotea) joined a year later.

There was plenty of work for it to do as thousands of jobs disappeared from the wharves and from the ships. Automation and new work practices brought the need for greater training, so the three Rs – retraining, redundancy, and retirement schemes – dominated MEA agendas. Collective action by employers had been made more vital by a Guild initiative, the Composite Maritime (Sea-Going) Collective Agreement. The creation of the MEA did not reduce pressure on Federation executive members, who still negotiated for their own companies, but it did reshape its meetings, since MEA was now the main forum for discussing pay and conditions. Previously, the executive had met monthly. In the 1979/80 year, however, it met only five times, each time as an adjunct to the more frequent MEA meetings. Now the bulk of the NZSF secretarial work (80%) was charged to the MEA. In 1978 ‘Mac’ McKenzie retired as NZSF/MEA secretary and was replaced by M.K. Buxton; that year, too, typist A.M. Duncan replaced E. Rolfe.

The MEA was only a qualified success. In November 1980 the Federation executive noted that ‘the Private and Public Sectors of the Maritime Employers’ Association have widely different abilities to respond to the dynamics of negotiation. It was agreed that the Government Members of the Association need to be equipped with a more practical negotiating flexibility.’ 79 Members
began to explore ways of tightening up their organisation to improve unity and internal discipline. In 1984, after much discussion, the Federation and the MEA formally merged. The new organisation wore the cumbersome title New Zealand Shipowners’ and Maritime Employers’ Association Inc, but was known as the New Zealand Shipping Federation.

That was also the year David Lange’s Labour Party stormed to power. This was not a conventional Labour administration. Determined to address the economy’s structural problems, Finance Minister Roger Douglas led young ministers through a whirlwind of radical libertarian economic reforms, reforms adopted and extended during the first term of its National successor in the early 1990s. By 1994 New Zealand’s maritime sector had changed almost beyond recognition: harbour boards, the Ports Authority and the WIC had gone, the Shipping Corporation had been privatised, the ‘Corner’, the old labour pool, had gone, seafarers had become company-employed integrated ratings, doing the work formerly done by separate deck and engineering departments, and domestic shipping had been opened up to international competition. It was a revolution.

The seeds of change had been laid by National with the Ministry of Transport

Like most ships on the coast, Golden Bay Shipping’s cement carrier *Golden Bay* (3,175 tons) made the transition to becoming an integrated ship in the 1990s. There were winners and losers. Jobs fell from 19 to 13, but interviewed for the 2003 book *High Tide*, Captain Tom Rowling observed that ‘gradually the officers and crew took ownership of the vessel, with less and less administration from ashore… The budget is done on board, and the whole crew has input with suggestions and decision-making.’
(MOT)’s study of waterfront costs. The Onshore Costs report published in July 1985 eventually led to a complete shake-up of the ports in 1989. WIC, the Ports Authority and harbour boards went, port companies took over commercial activities and regional councils set harbour regulations. At central government level, the MOT was broken up and replaced by a small policy ministry and various specialist agencies. Wharfies’ numbers and costs fell, ship turnaround went up. In February 1990 Tasman Express Line CEO Ron Longley reported that FCL costs per TEU had fallen from $350–400 a box at Auckland in October 1989 to $220 in just a few months. His ships were spending 32 percent less time in port.80

But one thing had not changed. Trucks and trains were still hurting coasters. The MOT’s 1986 annual report noted that two ‘recent entrants’ had gone under, a third had reduced its services and another line had withdrawn its dedicated coastal vessel. In 1987 it recorded the departure of the Coastal Trader, leaving

The first integrated ship on the coast was the bulk cement carrier Milburn Carrier II (6,200 tons). Since 1987 this ship has partnered the Westport (see page 62) in transporting the output from the Westport cement works.
Pacifica offering ‘the only scheduled, purely coastal general-cargo service.’ The Federation’s figures showed a depressing trend. Although shipowners backed most of the reforms, the tally of full time equivalent crew hours on members’ vessels nosedived: May 1988, 2,303.25 hours, May 1989, 1,989.40, June 1990, 1,825.59, June 1990, 1,672.99. Many jobs disappeared through demanning, but the withdrawing of ships was the real killer.

The tempo of reform had picked up after April 1985 when the Minister of Transport met sector representatives at Waitangi for the ‘New Zealand’s Maritime Future’ conference. The Waitangi Conference, as it was known, was a landmark event, lighting the touch paper on a series of reviews that restructured the maritime sector. The Federation’s Waitangi address was gung-ho. NZSF President Charles Speight, the Shipping Corporation CEO, declared that ‘gone were the days when singular and short-term concessions for nothing more than expediency can be allowed to compromise an entire industry.’ Speight dismissed the current industrial relations environment as ‘totally out-dated, if not positively antique.’ Long-term gains must be favoured over short-term victories, he argued. The industry had to establish long-term goals. Employment practices had to recognise new technology – why did small ships need separate recreation rooms for officers, deck crew and engineers? Training had to be improved, the roster scheme replaced and local shipping should be placed on a level playing field with overseas lines as far as taxation and subsidies went. Finally, owners, workers and customers must recognise that the shipping industry’s future ‘is the property and therefore the responsibility of all parties in the industry.’

The Maritime Review Committee accomplished a great deal, but fell short of the expectations of employers angered by protracted crewing disputes over the introduction of new ships such as the Milburn Carrier II and the Taiko. Sniffing the political wind, they pushed hard, finding government receptive. In 1988 the MOT declared that ‘the framework for change developed by the Maritime Review Committee of 1985–86 was inadequate and incapable of progressing reform at the pace and to the extent required to ensure the survival, let alone expansion, of New Zealand crewed shipping in international trades.’

In May 1989 Tasman Express Line CEO Ron Longley (and Federation president, the title having recently changed from chairman) and Union Shipping’s James (Jim) Bryant requested a maritime sector task force to accelerate the pace of change, an idea previously raised by John Bainbridge from the Institute of Marine and Power Engineers (the New Zealand Association of Marine, Aviation and Power Engineers from 1990). Bainbridge persuaded Dave Morgan from the Seafarers, but not the Guild’s John McLeod or his council, which ‘remained aloof from the “Moose Lodge euphoria”.

But Labour responded positively and in December 1989 allocated the MOT’s Stewart Milne to chair a joint employer/union New Zealand Shipping Industry
Reform Task Force. Federation executive director Ken Plowman was in the thick of things, assisted by board members such as Rod Grout (Pacifica), Bill Benjamin (Milburn) and Ian Newman (Interisland Line). Looking back on its 20 years later, Grout would recall that ‘without that Task Force reform we would not have survived as long or been in a position to compete with other surface transport modes. It was a very important change and it was done together with the Maritime Unions.’

The Task Force was the Maritime Review Committee on steroids. What just a few years earlier would have been considered revolutionary change was now supercharged. The Task Force began meeting in February 1990 and reported back in June (although it continued to oversee the process for several years). Its key recommendations centred on an industry desire, led by the Union Company, for ‘integrated ships’. Memories were still strong of the disastrous Wainui dispute in 1969 when the second engineer refused to engage a motorman called Robert Kidd. Demarcation disputes had been the bane of the industry.

Integrated ships meant multi-tasking seafarers and eliminating the old divisions between deck and engineering crews. Longley wanted the officers and the crews in one union, but had to settle for three unions, not four. At this time the National government introduced the Employment Contracts Act and Maritime New Zealand (one of the successor agencies to the MOT) advised that it would no longer provide marine superintendents to manage the ‘Corner’, the old pool labour system. Seafarers would have to become company employees, a costly process involving many redundancies and considerable expenditure on crew training in Australia and New Zealand (it was a trans-Tasman approach). Most felt that it was worth it. Milne, who had previously chaired the Shipping Industry Training Board, recalled that many ratings were inadequately trained and that some recruited from Britain brought with them the social divisions common there. Until the early 1970s the Union Company had built most of its ships in the United Kingdom and often recruited crews there to bring them out; only in the late 1960s had the number of New Zealand ratings matched British-born ones on New Zealand ships.

It was not all plain sailing. Problems arose through employer ignorance, crew resentment and shore staff underestimating the implications of some of the changes on seagoing life, but the first integrated ship sailed in October 1990, the Milburn Carrier II. By June 1991 11 of 28 Federation ships were integrated and most of the rest preparing to make the change. Crew numbers fell by an average of 28 percent. Paul Nicholas, part of the Federation team during the crucial early 1990s, believes that the main players were generally well served by their lead negotiators: Ken Plowman and Roy Bravenboer from the Federation, Dave Morgan from the Seafarers, David Graham from the Cooks and Stewards, John McLeod from the Guild and John Bainbridge from the Engineers. Not all were
equally enthusiastic about what was going on. Milne, whose diplomatic skills were called on to get everyone to the table, observed that the Guild was the least enthusiastic.89 ‘NZMSG could see the Task Force for what it was’ , McLeod recalls, ‘a demanding exercise that tarted up the old French whore for corporate raiders’.90 Nevertheless, the Guild participated.

With companies now negotiating directly with their new seagoing employees, the Federation was able to divert more of its resources into industry training organisations (ITOs). In 1996 it registered the Maritime Industry Training Organisation and set about preparing unit standards and qualifications for the Qualifications Framework. The ITO was subsequently subsumed into the Engineering and Manufacturing ITO which later became Competenz.91

Its staff had grown along with its title thanks to the workload generated by government reviews and the need to retrain or compensate redundant workers. In 1987, for example, the Federation was represented on: the Maritime Review Committee; Shipping Industry Training Board; Marine Council; Oil Pollution Advisory Board; New Zealand Employers’ Federation Council; Exports and Shipping Council; Seamen’s Union Retirement and Welfare Plan; Cooks and Stewards Retirement and Welfare Plan; and the National Port Safety Council. From 1993 the Federation would also devote much time to working with the Maritime Safety Authority (renamed Maritime New Zealand in 2005), one of the successor agencies to the old MOT.

In June 1987, the staff comprised executive officer Carmel Rogers, Leslie Harwood (executive director, who replaced Rogers), Kerry Ford (advisory officer, training), Garry Harris (advisory officer, industrial relations), Vanu Berking (advisory officer, finance), Sue Couch (senior typist), Andrea Bennett (office manager). Just as important, under Rogers, the staff’s role and outlook changed, with Rogers representing the Federation on many committees, boards and councils. In his 1987 annual report, Speight acknowledged that ‘the role has changed from secretariat to executive.’ But a year later, only Berking remained. Paul Nicholas, newly-hired as a training officer, remembers being phoned at home and being told not to go in on his planned first day while the executive committee sorted out the staff. A concession made in recent negotiations with the Seamen’s Union that members considered ‘side swiped’ them ‘was the catalyst and there was also dissatisfaction over the staff culture; Ron Longley remembered. Everyone apart from Vanu Berking left. ‘It got quite nasty and we had to change all of the locks.’92

By June 1988 Ken Plowman was managing the staff as executive director. The other employees were Roy Bravenboer (industrial relations officer), Vickie Skipworth (secretary/receptionist), Nicholas and Berking. John Button (Employers’ Federation) handled the offshore industry (oil rig supply vessels) to keep this high-wage stream separate from the liner businesses. Plowman recalled with gratitude the industry advice they could call on from board members: Iain Green from
Pacifica Shipping was for several years the only general cargo carrier on the coast. Its ro-ro ship Spirit of Competition (1,600 tons) ran on the old Union Company Lyttelton-Wellington service for 23 years before being retired in 2008. In the 1990s Pacifica introduced two versatile combination ro-ro and Lo-Lo (lift-on, lift-off) ships, one of which, the Spirit of Progress (4,291 tons), is shown negotiating the difficult French Pass.

PACIFICA SHIPPING
Union Shipping ‘knew the history behind each and every clause in the national maritime awards’; so did Bill Benjamin from Milburn. ‘On occasion at the negotiating table a union guy would say – after I had made some statement – “is that right Bill?” and once Bill gave the affirmation it was accepted,’ Plowman recalled.

Plowman’s leaner operation brought down levies slightly. Despite inflation, expenditure fell from $524,299 in 1989 to $468,741 in 1990. Expenditure rose again briefly in the expensive Task Force implementation years, but fell again as staffing reduced. In 1996 Plowman left to become Milburn New Zealand Ltd’s shipping manager. Graham Miller became the executive director and then in 1998 Paul Nicholas, former manager administration, took over. By then he was the only fulltime staff member. Linda Mountfoot, the new administration officer, jointly served the Federation and the New Zealand Shippers’ Council, which the Federation provide treasury and secretarial services to in 1999. In 1996 the Federation spent $321,885 and in 1995 just $296,689. Fewer meetings and greater use of email have trimmed administrative costs.

The period was also a time of frequent office moves. In 1996, after about a decade in the World Trade Centre in Ghuznee Street, the Federation moved into the Clayton Ford building on The Terrace. Then, in less than a decade, it moved across the road to BOC House, to P&O on Customhouse Quay, and then to Tourism and Travel House on Boulcott Street, before finally fetching up at City Chambers in Featherston Street, where it remains.
At council level, the Federation also changed. The presidency, held by Gordon Strachan (Golden Bay Cement) in 1985 and by SCONZ’s Charles Speight in 1986 and 1987, was held by I.S. Gough (Searail) in 1989 and by Tasman Express’s Ron Longley in 1990 and in 1991. In 1992 Union Shipping Group’s Jim Bryant took the helm, ushering in a period of stability, serving until 1997 when Pacifica Shipping’s Rod Grout took over. Grout would steer the Federation’s affairs until 2008.

Grout headed what was about to become the last general cargo carrier outside the Cook Strait run. In 1994 ‘a suspiciously new New Zealand Chamber of International Ship Operators popped up to back demands from Federated Farmers and others for an ‘open coast’ clause in reform legislation.’

Government policy had changed, with the new thinking being that ‘the country’s interests were best served by being a ship-using, rather than a ship-operating nation.’ Reformers had their eyes on removing cabotage, the reservation of coastal shipping for locally controlled, crewed and flagged ships. Although major trading partners such as Australia, the United States and Britain still retain cabotage, the National government passed the Maritime Transport Act 1994 over the protests of the maritime unions and shipowners, something that Plowman blamed on ‘MPs within the National Government supported by revenge-seeking farmers.’

It also
rejected demands for cross-traders (foreign ships carrying local cargo between domestic ports on part of their long-distance routes) to pay the same taxes as New Zealand lines or for a European ‘second register’ (allowing locally flagged ships to employ Third World crews).

This produced a rift within the Federation’s ranks. Most members took the view that if cabotage had to go, foreign operators should compete on an equal playing field as far as taxes, ACC and other payments were concerned. Tasman Express Line, however, had decided that its future lay with linking up with a major cross-trader (P&O) and grew increasingly unhappy with the Federation’s stance. Longley leaked the Federation’s case to Transport Minister Maurice Williamson and in June 1994 Tasman Express resigned from the Federation ‘as a result of dissatisfaction with their activities and conduct over recent months.’

Plowman, who had taken what he called ‘a contentious public profile to advance the Federation’s policy’, recalled the heat of battle. ‘The fight culminated in the prolonged standoff in Parliament when the Labour party assisted by Rod Grout and me forced the Nats to debate each and every clause of their new shipping Bill…. That one small industry body in conjunction with the Seamens’ Union could hold off those core groups (Treasury, Federated Farmers, the Employers’ Federation and National) was extraordinary. The unholy alliance of shipowners and seamen it was called.’ Everyone remembers it. Rod Grout recalled sitting down in a small room off the debating chamber, working with other shipowners and the maritime unions into the small hours writing questions and amendments, the bullets Labour MPs needed to fire. Dave Morgan from the Seafarers believes that ‘the United front against the legislation and by definition against the Government smashing all before it to introduce a market economy and in doing so creating a totally unfair environment for a whole New Zealand Industry … [was] a rare occasion in New Zealand Industrial/ Political history’, as it was, the Bill was given a third reading by a majority of only two votes.

Although the government killed cabotage, it had not yet dented the ‘Maritime Accord’, an unofficial agreement between New Zealand and Australian maritime unions that kept foreign-crewed ships from carrying freight across the Tasman. Although not liked by conservative governments, it had held firm since 1931, so New Zealand seafarers were as dismayed as shipowners late in 1996 when the Maritime Union of Australia effectively walked away from the Accord in a trade-off over jobs and conditions with BHP.

As it turned out, both Tasman Express and the Federation’s trans-Tasman liner members went out of business within months of each other – South Pacific Shipping collapsed in 1998, stranding five ships, and Tasman Express and Union Shipping sold their trans-Tasman services to cross-traders in 1999. A handful of New Zealand crews were kept on a few vessels initially, but New Zealand crews had disappeared from the Tasman by the early 2000s. On the coast, only Pacifica
Shipping survived in the non-Cook Strait general cargo trade, although its fleet halved in 2003 when it withdrew the *Spirit of Vision* and the *Spirit of Enterprise*, blaming unfair competition from marginal pricing by the big cross-traders. ‘Our remaining ships are not dead in the water by any means, but we are being allowed to bleed to death by Government inaction,’ Grout complained. The gross tonnage on the New Zealand register almost halved from 482,180 tons in 1995 to 253,739 tons in 1999.

This rout had an impact on the Federation’s membership. In May 1988 there had been 18 members: 3 were overseas companies with New Zealand-crewed ships (Gearbulk, Jebsens and P&O Containers); 3 were state-owned corporations (Shipping Corporation of New Zealand, Ministry of Agriculture and Fisheries, New Zealand Railways; 3 were oil and gas servicing companies, (Seatrans, NZ Offshore Services and Southern Offshore Services) 2 tug and barge operators (Sea-Tow and McCallum Brothers); the remainder were general and bulk cargo
operators (BP Oil NZ Ltd, Milburn NZ Ltd, Pacifica Shipping, Golden Bay Cement Group, Tasman Express Line, Tasman Pulp & Paper and Union Shipping Group). In total 57 ships, tugs and barges were covered.

Twenty years later, in contrast, Federation membership comprised Pacifica Shipping, Holcim NZ Ltd, Silver Fern Shipping, Golden Bay Cement, Strait Shipping Ltd and the Interisland Line, covering 13 ships, and one associate member, NIWA (two research vessels). Three factors contributed to this decline. The first was fleet replacement – larger, more efficient ships replacing larger numbers of smaller, older ships. The second, more significant combo was the collapse of the Maritime Accord and the combined effects of the loss of cabotage, and road and rail competition. The third was some shipowners’ negative assessment of the value of membership. In 2008, for example, companies outside the Federation included a former member (Sea-Tow Ltd, split later that year into PB Sea-Tow and Sea Pacific), Pacific trader Reef Group, Seaworks, and the large Interisland Line’s Kaitaki (22,365 tons) is the largest ferry using the environmentally-sensitive Marlborough Sounds.
tourism and ferry companies operating from the Bay of Islands, Auckland and Fiordland.

Now that it was no longer directly involved in industrial negotiations and that industry training was taking up less time, the Federation could refocus its business on advocacy. There have been two major areas of business over the past decade, both centred on environmental concerns. Since oil pollution issues first engaged the Federation’s attention in the 1950s, the environment has moved from the periphery to centre stage. The Federation has been represented on the Oil Pollution Advisory Committee and its predecessors for many years. Biosecurity became an issue from the 1990s when the Federation began talking to government about the discharge of ballast water. It regularly makes submissions on regional coastal plans.

Beach erosion caused by vessel wash has been a particularly sensitive issue. This hit the headlines in 1994 when fast ferries were introduced to Cook Strait. That year the Wellington harbourmaster imposed speed restrictions to reduce ferry wash and to protect ships berthed at Aotea Quay, but the loudest howls came from the Marlborough Sounds where residents complained of shoreline damage. In May 2000 the Marlborough District Council restricted ships to 18-knots between Picton and the Tory Channel entrance, robbing the fast ferries of speed, their only advantage over the traditional ferries. The last ‘vomit comet’ sailed away in 2005.

If the speed restrictions had been applied only to the fast ferries, few would have minded, but in 2005 Variation 3 of the Marlborough Sounds Resource Management Plan required the operators of big ships wanting to go faster than 15 knots to apply for a resource consent and to meet the council’s wave-height criteria. That year a flotilla of small boats demonstrated against the newest Interislander ferry Kaitaki (a ‘grand-parenting’ clause allowed the existing ferries, Arahura, Aratere and Kent sail at 20 knots). The Federation, Toll Shipping (which then owned the Interisland Line) and Strait Shipping appealed to the Environment Court, claiming that the restrictions would cut the Aratere and the Arahura’s voyages from three a day to just two. The court supported the variation, but told parties to negotiate.103 Early in 2008 it upheld the plan variation, but one
protest group promised to appeal the exemptions. In July 2009 the council gave the Kaitaki a 19.5-knot exemption.104

In 2000 the new Labour-led government convened a Shipping Industry Review, which published A Future for New Zealand Shipping. The document was full of noble sentiments – acknowledging the need for a viable and sustainable domestic shipping industry that is competitive while applying best practices etc – but it made no waves. So the Federation decided fund a draft strategy document. That document, Roadways to Waterways: Enhancing New Zealand’s Surface Transport Options, was presented to the Minister of Transport in 2006. It was designed to complement the government’s 2002 New Zealand Land Transport Strategy which called for ‘an affordable, integrated, safe, responsive and sustainable transport system’ by 2010. Roadways to Waterways repeated an old complaint – that domestic shipping had been undermined by ‘the diminished competitive neutrality between transport modes as the result of the substantial and continued subsidisation of road and rail transport’ – while reassuring government that its proposals ‘do not involve the type of market distortions that might be occasioned by such measures as the reservation of coastal cargo for New Zealand flagged ships.’105

The key message was that New Zealand should follow the leads set by the European Union and United States in promoting short sea shipping ‘as a means of reducing road congestion, enhancing environmental responsiveness and assisting economic development’ if it wanted to meet its transport and environmental challenges. ‘Even at present levels, if all the freight carried by New Zealand’s coastal fleet – outside the Cook Strait – was shifted to the roads, it would mean an additional 180,000 20-tonne truck movements on our state highways each year’, a pull quote announced. Roadways to Waterways called for enhanced policy settings and funding, a co-ordinated national ports policy and assistance with port infrastructure development, an extension of off-road freight eligibility to include shipping and related infrastructure, establishing a maritime outputs class within the Land Transport Programme and the introduction of a maritime training programme.106

Roadways to Waterways led to a sea change in government – that and a lot of lobbying by the Federation and by the wider maritime sector. It caught the attention of Transport Minister Annette King, who instructed her officials to examine the issues it raised. As a result, in 2008 the government announced that it would allocate $36 million over the next three-and-a-half years to the Domestic Sea Freight Development Fund under its Sea Change strategy. Reaction to Sea Change – road sector complaints aside – was generally positive, although some wanted to see the details worked out before passing final judgment. In welcoming the government’s ‘breaking the ice’ with a coastal shipping policy after decades of neglect, the New Zealand Shipping Gazette expressed some reservations,labelling the $36 million a ‘drop in the ocean’ compared to Ontrack’s projected investment
of $400 million on rail lines in the next five years and noted that the vague wording of Sea Change would not prevent overseas operators from applying for funding.107

It seemed an appropriate time to make changes to the Federation’s leadership. In April 2008 Paul Nicholas retired as manager of the Federation and secretary-treasurer to the New Zealand Shippers’ Council. Speaking to the Shipping Gazette, Nicholas identified two career highlights. The first was in 1992–3 ‘when the “Corner” was disestablished without one day lost due to strike action.’ The second was Sea Change.108 His successor is Sam Buckle, a former Ministry of Transport and Ministry of Economic Development policy analyst.

Two months later Rod Grout stepped down after 12 years as president. His successor, Strait Shipping’s managing-director, Sheryl Ellison, is the Federation’s first woman president. In his press interviews, Grout also identified Sea Change as a major achievement. ‘When I took on the presidency our sector had just been opened up to direct overseas competition and the commercial impacts on domestic transport were not well understood,’ he said. ‘The way is now open for coastal shipping to move forward and assume its logical function of carrying higher volumes efficiently and safely around the country.’109

Indeed, 2008 saw some welcome developments after plans for shallow-draft bulk carriers to transport coal from Greymouth were dashed when Tranzrail undercut the bid. Holcim (NZ) Ltd continued to explore options for a bigger replacement for its cement carrier Westport and a new venture reintroduced a type of ship not seen locally for decades, the coastal tramp.
Coastal Bulk Shipping’s 50-metre-long Anatoki drew just 3.2 metres, enabling her to transport cargo to and from the country’s smaller ports. The proud new owner boasted that her 600-tonne carrying capacity would take a lot of 29-tonne truckloads off the roads. That year, too, Leslie Shipping replaced its Chatham Islands trader with a larger ship.

Even better, Pacifica Shipping placed the Spirit of Endurance on a new East Coast coastal container service linking the ports of Auckland, Tauranga, Lyttelton and Port Chalmers. Delivered fresh from a Chinese shipyard in November 2008, the Endurance is the largest general cargo liner on the coast for decades. In another sign of the times, Pacifica boasted that she could remove 60,000 tonnes of carbon emissions by removing long-haul freight from the roads.\textsuperscript{110} Although her arrival coincided with the withdrawal of the company’s elderly Wellington-Lyttelton ro-ro freight ferry Spirit of Competition, there was a hint of more to come. ‘Provided its service is not constrained by further subsidies to prop up competing land transport modes, we believe it will be the forerunner of more coastal vessels to come,’ Grout said.

Nothing is ever certain in shipping, however, and a National-led government replaced Labour in November 2008 just as the sharpest economic contraction since the Great Depression swept the globe. As government agencies rushed to offer savings, the previous administration’s initiatives were obvious targets. Sea Change fell into this category. In late March 2009, National’s draft document on road funding slashed spending on domestic sea freight development from $36 million to $4 million, with the new Transport Minister claiming that he did not want to subsidise another form of freight. Sea Change became small change.

Grout was openly skeptical. Noting the huge spending on public highways and the recent re-nationalisation of the railways, he complained that ‘it is tantamount
to building a two-legged stool and expecting transport stability and balance when the pressure comes on, as it surely will.’ Buckle agreed. Speaking of the Domestic Seafreight Development Fund, he observed that ‘in a transport sector rife with heavy-duty government ownership, investment and subsidy, this was the first attempt to provide a small, short-term investment injection for a shipping sector that’s had to compete on a heavily-distorted playing field for many years.’ Dave MacIntyre, with a quarter of a century’s experience as a transport sector commentator, was aghast. ‘It took a decade and a half of courtship to get it going, it took a couple of years Government gestation to bring it into life, and it managed one faltering step before it fell over and died’, he wrote in the Shipping Gazette. ‘That was the Domestic Sea Freight Development Fund – the $2 million baby that never got to grow up and stimulate the New Zealand freight transportation network.’ In condemning a flawed philosophy, he also protested about the complete lack of consultation with the industry.

This is almost certainly not the final chapter in the story. The mid-to-long-term problems of increasing road congestion, escalating energy costs and achieving carbon neutrality cannot be wished away. That and the likelihood of further port consolidation and ‘hubbing’ by larger 7,000-TEU or greater international container ships all point to opportunities for feeder services. So even in the bleak post-Sea Change months of early 2009, significant investments were being made. Golden Bay was completing a $50 million state-of-the art unloading facility at Auckland and a new coastal tanker, the Awanui, had been commissioned to move bunker

In launching Labour’s domestic shipping strategy Sea Change in 2008, Transport Minister Annette King (centre) said that ‘it was a watershed event the day Rod Grout and his Federation colleagues came into my office to hand me their Roadways to Waterways document. Their enthusiasm was contagious.’ The presence of NZSF executive director Sam Buckle (left), and New Zealand Merchant Service Guild General Secretary Helen McAra (right) illustrated the pan-sector approach by owners and unions. Months later a change of government whipped away most of the money.

FORMER BEEHIVE WEBSITE
fuel from Marsden Point to Auckland. The Waitaki District Council was discussing commissioning a feasibility study for reactivating the Port of Oamaru, closed since 1974, Westgate (New Plymouth) was investigating a coastal service and Gisborne port authorities were exploring a feeder service to Napier and Gisborne. As this book went to press, the Federation was buckling down to work with officials to salvage as much as it could from the wreckage. ‘Shipping will soldier on alone, as it always has,’ Buckle told the *Shipping Gazette*. 
Acknowledgements and sources

I would like to begin by thanking Paul Nicholas, who championed the project and who obtained duplicates and photocopied material from the Wellington City Archives. At the time of writing the Federation’s records for 1910–81 are held by the Museum of Wellington (formerly the Museum of Wellington City & Sea and previously the Wellington Harbour Board Maritime Museum), although that may change. Laureen Sadlier’s welcome was warmer than the Ngauranga Gorge store’s icy workroom and I thank the crew there for the tea and muffins. The Federation retains its more recent records.

At the New Zealand National Maritime Museum in Auckland, librarian Marleene Boyd and volunteer Graham Robertson kindly summarised Federation-related entries from the Northern Steam Ship Co’s minute books and Jim Ellis, a former Northern Co general manager, shared his experiences. I was again able to draw on material held by the Alexander Turnbull Library and Archives New Zealand in (both Wellington) and from notes taken previously for my history of Tasman Express Line. At the Hocken Collections in Dunedin, I checked early Union Company references to the Federation.

Full references to primary sources are in the endnotes.

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Index

Advance 21
Aiken, David 30, 39
Air Services Licensing
Authority 55-6
air transport, competition with shipping 46-47, 55-6
Alison, Alexander 16
Alma 20
Anatoki 86
Anchor Steam Shipping & Foundry Co (later Anchor Dorman Ltd) 62-3
Arahura 78, 83
Aramoana 58, 60
Aranui 61
Aratere 83
Arbitration Court 25, 27-8, 36-7, 39, 52-3
Auckland 12-3, 15-6, 18-23, 25-8, 31, 35-8, 40, 42, 52-3, 56, 59, 61-3, 68, 72, 82, 86, 88
Auckland Harbour Board 13, 20, 35, 56
Auckland Scow Owners’ Assn 61-3
Auckland Steamship Owners’ Association 20, 25
Auckland Tug and Scow Owners’ Assn 63
Awanui 88
Bainbridge, John 73-4
Benjamin, Bill 74, 77
Bennett, Andrea 75
Berking, Vanu 75, 77
Bishop, Thomas 38-40, 49
Blackball Coal Co 24
Blue Star Line 61
Bollons, Captain John 19
Bradney, James 21, 23
Bradnock, N.F. 51
Bravenboer, Roy 74-5, 77
Bryant, P. 15
Bryant, Jim 73, 78
Buckle, Sam 85, 87-8
Button, John 75
Buxton, M.K. 70
Camp, Charles 49
Canterbury Steam Shipping Co 31, 51, 62
Cardlaw, J. 16
Chatfield, G. 51
Clansman 38
Clark, Helen 65
Claymore 14-5
Clematis 20
Coastal Bulk Shipping 86
Coastal Services (Motueka) Ltd 61-2
Coastal Trader 68, 72
Coates, Gordon 41
Cole, Brian 69
Cookys and Stewards’ Union 39-40, 74
Coronation 21
Couch, Sue 75
Craig, E. 16
Crombie, Cecil 51, 56, 67-8
Davis, Ernest 42
Deck, J.M. 23
Defender 37
Douglas, Roger 71
Duncan, A.M. 70
Dunedin 18, 28, 30, 32-3, 36, 38, 45, 59, 68
Duske, L.M. 49-50
Duynhoven, Harry 65
Dyson, A.R. 51
Echo 62
Eckford, T. & Co 62
Ellis, Jim 69
Ellison, Sheryl 85, 87
Employers’ Federation 30-1, 36, 38-9, 49, 75, 79
Empreza 21
Era 21
Everard Shipping Co 61
Falla, Norris 43
Forbes, George 41
Ford, Ernest 13-6, 20-1, 24, 26
Ford, Kerry 75
Foster, W.G. 31
Frankham Shipping Co 62
Fuller, W.E. 23
Gearbulk Shipping 80
Golden Bay 71
Golden Bay Shipping Co/Golden Bay Cement Group 71, 78, 81, 87
Gouk, David 16, 20
Grout, Rod 65-6, 74, 78-80, 85-7
Guardian Cement Co 62
Hammond, Captain R.C. 41
Harbours Association of New Zealand 41
Hardy, Captain A.G. 53
Harris, Garry 75
Harwood, Leslie 75
Haultain, Captain Theodore 19
Henderson, Thomas 16, 21-2, 26, 36
Henderson & Macfarlane 21-2
Hero 21
Hikurangi 20
Holcim (NZ) Ltd (formerly NZ Cement Holdings Ltd) 8, 62-3, 81, 85
Holdsworth, Charles 22, 30
Holm, Captain Sydney 40, 45, 51-2
Holm Shipping Co 55, 61-3, 68-9
Howell, Frank 36
Hull, G.T. 23
Hull, J. 16

industrial relations: 1890
  Maritime Strike 19, 24-5;
  1913 Maritime Strike 10-1, 26, 28-31; 1922 seamen’s
  strike 38-40; 1951 dispute 53

Interisland Line (formerly New Zealand Railways and then
  Searail) 74, 78, 81, 83

Institute of Marine and Power
  Engineers 69-70, 73

intermodal competition see air
  transport-, rail transport-
  and road transport,
  competition with shipping
international shipping see
  overseas shipping
International Shipping
  Federation 50

Jagger, A. 16
Jebsens Ltd 80

Kaharoa 80
Kaiapoi Shipping Co 61
Kaitaki 82-3
Kapanui 14-5
Karamea Shipping Co 62-3
Kennedy, W.A. 27
Kent 83
King, Annette 84, 87
Kneen, John 13-5, 22, 28
Koraki 54
Kororai 43

Labour Department 40
Lange, David 71

legislation: Employment
  Contracts Act 1991 24, 74;
  Industrial Conciliation &
  Arbitration Act 1894 24-5,
  27-8, 30; Labour Relations
  Act 1987 24; Maritime
  Transport Act 1994 78;
  Shipping and Seamen Act
  1909 19, 39; Shipping and
  Seamen Amendment Act
  1946 51; Trade Union Act
  1878 25; Transport Law
  Amendment Act 1933 43
Leonard & Dingley Ltd 61
Longley, Ron 72-5, 78-9
Lyttelton 6, 60-1, 68, 76, 86
McAra, Helen 87
McDowall, Miss 36
McGregor, Captain Alexander
  23
McKenzie A.G. ‘Mac’ 63, 70
McKenzie, George 16, 20
McLeay, Kenneth 49, 51, 54
McLeod, John 73-5
Maheno 60
Mander W.G. 50
Marama 60

Marine Department (later
  Ministry of Transport and
  successor agencies including
  the Maritime Safety
  Authority and Maritime
  New Zealand) 23, 37, 40,
  70-2, 75
Maritime Carriers (NZ) Ltd 63

Maritime Industry Training
  Organisation 75
Marlborough Sounds 2-3, 81,
  83-4
Massey, William 28, 30, 39-40
Maxwell, Peter 69
Mennie, James 20
Milburn Carrier II 8, 72-4
Millar, J.A. 20-22, 26
Miller, Graeme 77
Mills, James (later Sir James)
  23-4, 30
Mitchell, G.W. 50, 63
Mitchelson, Edwin 13-4, 16
Molyneaux Report 67
Monowai 44, 48
Morgan, Dave 64, 73-4, 79
Mountfoot, Linda 77
National Airways Corporation
  (NAC) 55

National Institute of Water
  and Atmospheric Research
  (NIWA) Ltd 1, 80-1
Nelson 16-7, 55
Newman, Ian 74

New Zealand Chamber of
  International Ship Operators
  78
New Zealand Fisheries Ltd 62
New Zealand Herald 13, 15
New Zealand merchant marine,
  size in 1907 18-19; ports and
  shipping reforms, 1980s/90s
  72-5
New Zealand Merchant Service
  Guild 27, 53, 69-70, 73-5, 87
New Zealand Ports Authority
  67, 71-2
New Zealand Refrigerating
  Company 37
New Zealand Shipping
  Federation (formerly
  New Zealand Shipowners’
  Federation): formation 14-19;
  membership 19-20, 61-3, 80-3;
  Wellington branch 23, 26;
  relationship with the
  Shipping Federation
  (London) 24; international
  lines as members 24, 61, 80;
  industrial relations 24-5, 27-
  31, 32-5, 53-5; 70-75; early
  finances 26; concern about
  intermodal competition
  41-5; sets up own office 49-
  51; staffing and offices 26,
  36, 63, 75-7, 77-8, 85, 49-51;
  forms links with state ship
  operators 70-1; ports and
  shipping industry reform
  (including integrated
  ratings) 70-75; opposition
to ‘Open Coast’ 78-9;
environmental issues 83-4,
Roadways to Waterways
  report and Sea Change 84-9
New Zealand Shipping Gazette
  21-2, 84-5, 87-8

New Zealand Shipowners’
  and Maritime Employers’
  Association see New Zealand
  Shipping Federation
New Zealand Shipping
  Company 61
Ngaio 55, 60
Ngunguru Coal Mines Co 13
A Voice for Shipping

Niccol, George 15-6, 20-1, 23, 40
Nicholas, Paul 74-5, 77, 85
Norman, George 49-50
Northern Steam Ship Co 23, 26, 31, 38, 40-2, 45, 55, 62-3, 69
Oamaru 18, 41, 57, 61, 88
Onehunga 16, 19, 58
Overseas shipowners 18, 61, 78-80, 85
Overseas Shipowners' Committee 51, 61
P&O Containers Ltd 77, 79-80
Pacifica Shipping 64-5, 73-4, 76, 78-81, 86
Parry Bros Ltd 62-3
Pateke 53
Pearl Kasper Shipping Co 62
Piri 61
Pitoitoi 21
Plowman, Ken 74-5, 77-9
political parties: Labour 38, 43-5, 55, 65, 67, 70-1, 73, 79, 84, 86-7; Liberal 21, 24, 28; Reform 28; National 53, 71, 74, 78-80, 86
Poole, Charles 14
Port Line 61
Pryor, William 22-3, 31, 36
Pukete 56
rail transport, competition with shipping 41-7, 56-60, 72-3, 85; see also Interisland Line
Ranginui 40
Ranson, Charles 16, 21-23
Reeves, William Pember 25
Renner, Robert 23
Reynolds, R. 16
Richardson & Co 49, 51, 55-7, 62, 68
River City 61
road transport, competition with shipping 41
Roche, P.O. 26
Rock Lily 20
Rogers, Carmel 75
Rolfe, E., 63, 70
Ross, R.J. 69
Santa Regina 2-3, 82
Saxon 20
Seagar, Charles 23
Seamen's Union (previously the Federated Seamen's Union, later Seafarers' Union and the Maritime Union 13-14, 20, 25, 28-9, 35-40, 45, 53-4, 72, 74-5, 78-9
Seatrans 80
Semple, Robert 35, 44
Shaw Savill & Albion Co 17, 24, 61
Shell Oil (NZ) Ltd 62
Shipping Corporation of New Zealand Ltd 66-8, 70-1, 73, 80
Shipping Federation (UK) 24, 27
shipping technology: move from sail to steam 18-19; roll-on, roll-off ships 58-61; bulk shipping 62, 69; containerisation 67-8
Shipwreck Relief Society 35
Silver Fern Shipping Ltd 81-2
Smith, W.D. 16, 26
Smith, W.G. 45
South Pacific Shipping Ltd 79
Southern Isle 20
Speight, Charles 73, 75, 78
Spirit of Competition 76, 86
Spirit of Endurance 6, 86
Spirit of Enterprise 80
Spirit of Freedom 64-5
Spirit of Progress 66
Spirit of Vision 80
Steam Ship Owners' Association (later Commonwealth Steamship Owners' Association) 30
Strachan, Gordon 78
Strait Shipping Ltd 2-3, 81-3, 85
Strait Air Freight Express 48, 55
Taiko 73
Tangaroa 1
Tarakohe Shipping Co 62-3
Tararawa 20
Tasman Enterprise 69
Tasman Express Line 72-3, 78-9, 81
Tasman Pulp & Paper Co 69, 81
The Portland 61
Torea 82
Transport Co-ordination Board 43-4
Union Steam Ship Co (later Union Shipping Group) 13, 18, 24, 43-4, 49, 50, 54-6, 58, 60-3, 68-9, 73-4, 76-9, 81
Veitch, W.A. 42
Vivid 21
Waipori 42
Wairua 70
‘Waitangi Conference’ 73
Wakatu 20
Wanaka 59, 61
Wanganui Harbour Board 45
Wanganui Shipping Co 61
Waterfront Industry Commission (WIC, formerly Waterfront Control Commission) 52-3, 71-2
Waterside Workers’ Union 31, 53
Wellington 10-11, 17-9, 23-4, 26-7, 29-31, 36-9, 44-5, 49, 53-5, 60-1, 76, 82-3, 86
Wellington Harbour Board 29, 39
Westhaven Shipping Co 61
Weston, T. Shailer 37
Westport 62, 85
White, Thomas Henry 20, 25-6
Will Watch 20
Williamson, Maurice 79
Wilsons (NZ) Portland Cement Ltd 62-3
Winstone, Frederick 16, 20-21
Young, W.T. 30-1, 36-9
Zelateur 21
Gavin McLean is Senior Historian at the Ministry for Culture and Heritage. His many books include histories of shipwrecks, of the ports of Oamaru and Otago Harbour, of the NZ Merchant Service Guild and of these shipping lines: the Union Steam Ship Co, Richardson & Co, the Canterbury Steam Shipping Co, Geo H. Scales and the Tasman Express Line. His recent publications include The Governors: New Zealand’s Governors and Governors-General (2006) Whare Raupo: The Reed Books Story and Whare Korero: Best of Reed Writing (both 2007). In 2005 he co-edited Frontier of Dreams: the Story of New Zealand with Bronwyn Dalley. He is writing histories of Lyall Bay Surf & Life Saving Club, the prime ministership, and co-authoring a history of quarantine and biosecurity.
The New Zealand Shipowners’ Federation was formed at Auckland in 1906 to succeed a short-lived local association. Although initially ignored by the country’s largest shipowner, the Union Steam Ship Co, the Federation played an important part in settling the 1917 and the 1922 seamen’s strikes. From then until the 1990s much of its time was occupied with industrial negotiations. As land (and later air) transport ate into the coastal general cargo trade, rate setting became another core business item. The third strand of the business was lobbying government.

That mix changed in the decade between 1984 and 1994 when governments radically reformed the economy. The shipping industry had already gone through a technological revolution with containers, roll-on, roll-off (RO-RO) and bulk carriers drastically trimming the New Zealand fleet. The political revolution went further, reshaping the ownership of the ports and shipping industries and work practices. In remarkably short order, changes previously thought politically impossible, were enacted.

In the twenty-first century the New Zealand Shipping Federation is the advocate for domestic shipping playing its full part in addressing the country’s transport and environmental concerns – in short, it is A Voice for Shipping.

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