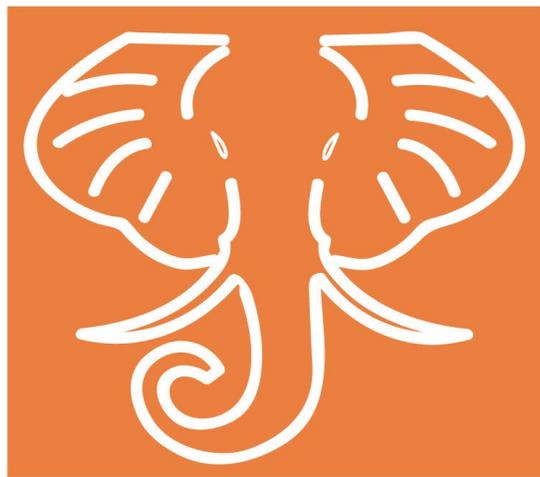


## Parliamentary debates.

New Zealand.

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London in November of last year: "The Government was going to find it very hard to keep the cost of living from rising." Any cheers from the Opposition? "A new factor in the situation is the increase of world prices due to rearmament and stock-piling." I repeat that; that is rather good reading—"The Government was going to find it very hard to keep the cost of living from rising." He continued:—

"The new factor in the situation is the increase of world prices due to rearmament and stock-piling. There is only one way of dealing with it, and that is by international agreement. I can assure you that we are doing, and will do, our utmost to secure international agreement to try and keep the increased demand under some sort of control."

In February of this year we were informed by cables from overseas that America, Great Britain, and France had invited twenty nations to a conference with respect to materials, the idea being to increase, if possible, the production of cotton, wool, sulphur, copper, manganese, and nickel. Very good. Some of the suggested conferences were to be between two countries, but this conference was among twenty nations. I want to finish on this note if I may. Surely it is time that a conference of all the democratic nations, or at least all those that signed the Atlantic Pact, should be called. The most urgent question, I suggest, is not the scarcity of commodities, but the preservation in some way of the democratic countries' currencies, lest they crash as was indicated by the *Economist*. I have heard talk in this House and outside of world banks. Where are they to-day? Are they functioning? If no action is taken by these nations, then we will, as the *Economist* says, continue to gallop towards inflation, or we will do what President Truman said and let Stalin win without firing a shot. Something may be in train at the moment—I do not know; I am only an ordinary member of the House. If something is being done, then I hope we will hear about it before long. If the regulation and control of our monetary policies are not yet at an international level, then I say New Zealand should give the Western countries a lead. Our late Prime Minister, Mr. Fraser, on many occasions at the Assembly of the United Nations did give a lead to the larger nations. It is true that they did not always listen to his words, but he did give a lead, and I am sure that our present Prime Minister, if this House decides on some such action as I have suggested, will worthily put our case to the people I have mentioned.

In conclusion, I hope that members of this House, irrespective of their politics, will address themselves to the question of the impact of world prices on our economy and to means of at least cushioning the blow. That can only be done by the combined action of all members, and I commend my suggestion to them. I admit that I have dealt with the question inadequately, but I feel there are many members here who are capable of more constructive

Mr. Cooksley

thought, and I shall look forward to hearing them in the course of this debate. Again I desire to congratulate my colleague, and I now formally second the motion before the House.

Debate adjourned.

The House adjourned at twenty-six minutes past nine o'clock p.m. until half past seven o'clock p.m. Wednesday, 4th July.

## WEDNESDAY, 4 JULY, 1951

Address in Reply: Want of Confidence

Mr. SPEAKER took the chair at half past seven o'clock p.m.

PRAYERS.

### ADDRESS IN REPLY: WANT OF CONFIDENCE

Adjourned debate on the question, *That a respectful Address be presented to His Excellency the Governor-General in reply to His Excellency's Speech.*

The Right Hon. Mr. NASH (Leader of the Opposition).—Mr. Speaker, I desire to move an amendment to the motion that is now before the House, as follows: *and that the following words be added to such Address: In conclusion we deem it our duty to inform Your Excellency that your Advisers have lost the confidence of this House.* I wish I could have said "and the country as well." Before speaking to the amendment, I should like the privilege of congratulating the mover and seconder of the original motion. In particular, let me say that there were two themes running through those speeches. The first was Communism, and in this they were simply serving notice on the country and the Opposition that the Government is going to try here the propaganda methods which were successful in Australia. The second theme was inflation. I may have another opportunity to discuss that question. With regard to Communism, without going into details, let me say that the reason why the Opposition party in this Parliament is opposed to Communism is very clear—Communism is repugnant to all the traditional procedure followed over the years by British people. To affirm that, and to support all that has been said on previous occasions, the Labour party at its last conference passed a motion, the text of which I shall read later. Even more than being repugnant to all we believe in, Communism does not work. That is something worth taking notice of. It does not achieve results; it does not bring into being the maximum number of free people, people who have no occasion to worry in their ordinary everyday life about the controlling authorities.

I think that the Labour Government, in the way that it operated, did achieve that result; it brought freedom to more people in this country than has been the case in any previous period of our country's history, and it did so

inside a system of freedom that has been advocated, and is now advocated, by all Labour movements in the British Commonwealth. That is the kind of freedom we believe in, and that is the kind of freedom that we believe will destroy the possibility of Communism entering into the British way of life. We are just a bit concerned about the advocacy and practice of what is called capitalism by the present Government. We think that might breed Communists and Communism. Inflation is, I think, inevitable under normal war conditions if there are such conditions as normal war conditions. It is inevitable under those conditions, I say, unless the step is taken—that is, of paying for the war out of current production and insuring that the people live on the residue after all that has been supplied that is necessary to feed and equip the fighting Forces. If that is done—if the residue only is given—and taxation is taken to the full limit to pay for the war conditions and the equipment and to pay the men who are serving wherever they may be, then at that point I believe that inflation can be avoided. That is the only way that I know of in which its impact, in any case, can be reduced.

I want now to speak for a few moments about the conditions of this country in December, 1949. I believe that the standard of living was then higher in this country—the standard of living of the mass of the people—than it has ever been; I believe it was higher than the living-standard in any other country. If the cost of the commodities necessary for an ordinary everyday life is the test, New Zealand stood pre-eminent, because our living-standard, according to the index figures of the United Nations, was better than that of any other country. The index figure was lower. There was no other country comparable with New Zealand in 1949. The next to it, I think, was Southern Rhodesia. Australia was next, and then Canada. Some countries had astronomical increases, but ours was the lowest increase of all. We had the best living-standard, and that to me is the major test, the test of how the people lived. We had at that time reduced our commitments overseas to a lower sum than had ever been known since we started to a major degree to borrow—certainly since 1914-18—and, in addition, our productivity was higher. We had records in production in all fields, primary and manufacturing; we had full employment; there was no fear in the country; and there was more and better housing accommodation than there had been at any previous period in our history. There was a bigger demand because of the bigger income.

The figures of which I have a note here show that everybody was employed, that our production was higher than we had ever known it to be. Our factory production was 50 per cent. up, not in value, but in volume, and it is the volume that matters in those conditions. In volume, total production was up by approximately 20 per cent. Butterfat, wool, meat, timber, coal, electric power and cement, and goods for consumption since the advent of the Labour Government, had all increased in value.

The index shows an increase in prices by 101 per cent. from the 1938 period. The value per head of population had gone up by 79 per cent., and the volume of goods for consumption inside the country was 11 per cent. per head of population greater than in any other known record. I can go very thoroughly into all these figures. The effective wage rates were higher, and the loans raised for war purposes after four or five years of war were lower proportionately than in any other country in the English-speaking world. We had borrowed less from the banking system for the financing of the war than had any other country.

After the election some fairy stories were told in regard to inflation, and shortage of money, and other things. The money in circulation in our country had increased by £138,000,000—from the original figure of £61,500,000 to nearly £200,000,000. In comparison, wholesale prices had increased to a lesser extent than any other country barring the United States of America. Our index wholesale prices were up 79 per cent., while those in the United States of America were up 78 per cent., those in Australia 89 per cent., and those in the United Kingdom, 110 per cent. I give that very short review so as to get our thinking into its right perspective. As I have said, we had some fairy tales told at the election, but even bigger fairy tales were told after the election. But there are one or two things that I think I could justly put on record here concerning what was said at that time by the National party candidates. The National party promised not to remove subsidies. In spite of this promise the Government did so, and we are paying a terrific price for it to-day. It promised to reduce the cost of living; the catch phrase was, "Make the pound go further." But the Government has increased the cost of living to a greater extent in fifteen months—and I will illustrate this later—five times more than had been done in the previous twelve months.

Hon. MEMBERS.—Years.

The Right Hon. Mr. NASH.—I am talking from the angle of the new index figure of March, 1949. From March, 1949, until the 31st December, 1949—that is to say, before the Labour Government went out of office—there had been an increase in the retail consumers' index figure of less than 2 per cent. In the next three months, however, when the present Government was in office—a Government that said it was going to reduce the cost of living—the figure went up by 3 per cent., and in the next three months by another 3 per cent., and in the following three months by still another 1½ per cent. In the three months after that there was a further increase of 1½ per cent., and in the last three months for which we have the figures—to the 31st March, 1951—the figure went up by another 1½ per cent. So that, measuring it from the 31st December, 1949, to the 31st March, 1951, the index figure went up by something more than 10½ per cent. And there has been quite a substantial advance since April.

As I have said, the National Government promised to reduce taxation. Its candidates went round the country saying how they were going to reduce taxation. They pointed out that with taxation at £74 per head of the population we were the worst-taxed country in the world. Yet the taxation is now well over £80 per head of the population. The National party said that it not only intended to keep the taxation static, but that it intended to reduce it, whereas there has been an unprecedented rise in taxation since it became the Government. Then the National party promised to benefit the older people, the social-security beneficiaries, and the mothers of families. I do not want to comment on some of the other things said subsequent to the general election, but the party did promise not to touch the subsidies. Then, when the National Government did touch the subsidies, it said, "Well, we have done it, and so did you." Then it started to slip the figures round to prove that we had reduced subsidies by the same amount as the present Government had. But National-party members knew that the reduction made in the subsidies on foodstuffs by the Labour Government amounted to about £4,500,000, yet the reduction their Government made amounted to £12,000,000 for the full year. I do not want to comment any more on that.

The National party said it would reduce the sales-tax, and it has done so. We do not want to comment on the things it has taken the sales-tax off. But National-party members did promise to do things that they have not since carried out. I do not think we have had a more unpromising Government. If we take the words, "He that would keep the agreement even if it was to his own hurt" and measure the Government's activity and actions by that, I think it would be found very much wanting. However, there is not time to discuss all this Government's unkept promises. We all know the story of "packhorses." I could even see the women, when I was examining the illustrations in the literature issued by National-party members, carrying their packs up the hills round Wellington. Well, they do not carry very much now, because they cannot buy so much. However, there has been no help for them from this Government, for the position in this regard is no different now to what it was then. The National party said it was going to get rid of the idea of the women being "packhorses"; that they were to be "packhorses" no longer. I wanted to make these comparative statements, and then to talk about wider things. Later I hope to illustrate in detail what has happened. Leaving that aside I should like to comment on international affairs, because there may not be an opportunity later, although I hope the Prime Minister will perhaps give a day and a night to discuss international affairs or external affairs, as they are called here.

The Right Hon. Mr. HOLLAND.—I am only too pleased to do so.

The Right Hon. Mr. NASH.—I did want to comment on this matter, because I think the world faces most difficult conditions—more difficult than for the last fifty or sixty years.

*Right Hon. Mr. Nash*

There is some promise for the future because of the application for an armistice in Korea, and I hope that it will result in a real settlement in Korea. It is true, however, that the Soviet forces in the world are stronger than at any time in history. As its share in the defence of Europe and democracy the United Kingdom, inside three years, is pledged to spend on defence £4,700,000,000. That means that the people of Britain will have less to consume. I think that we ought to be helping them, if possible, to have a little more. It was sad to note that the Government had made an agreement with some one in the United States to send 5,000 tons of meat there, at a time when the people of Britain were never more hungry for meat. Then, when that was exposed, and it was shown what the Government was planning to do, even one of its own supporters, Mr. James Begg, in Dunedin, opposed it. When the iniquity of what was to be done was exposed the Government did not say, "Oh well, we did not intend to do it." It said, "We did intend to do it, but the moment was not opportune. It was not the best time to go on to the American market." That was the only reason the Government gave for proposing to take 5,000 tons of meat from the United Kingdom, without whose aid we could not be a sovereign State to-day. I was very sorry when I saw that, because I knew something about it. I did not think the Government would do anything like that. I did not think it would make an agreement to sell 5,000 tons of meat to a United States agency while the people of the United Kingdom were facing difficulties in obtaining supplies from Argentina. The only reason why that deal was not completed was because the Minister of Agriculture said that the time was not appropriate. We shall probably quote the exact words later.

Speaking generally of international affairs, there is another trend in the relations between countries that is more potent for disturbance than in any other period in history. The end of colonialism has arrived—that is the exploitation, in the main, of certain countries by the Western Powers; I refer to the countries where raw materials are available to the Western Powers, and are not available to other countries. That exploitation is in the melting-pot. It will have to go before we can give the individual freedom that is imperative for the good of the world. Britain has done more in the last five years to achieve the possibility of the end of colonialism than any other Government, and I include not only existing Governments, but previous Governments. Sometimes Governments in the Old Country have been criticized for what some people are pleased to call "giving away India." People who use terms of that type do not know what they are talking about. India was not something to give away; India belonged to India and not to Britain. Britain did some magnificent work there for the benefit of the Indian people, but she could only justifiably stay there so long as India wanted her to stay. When India wanted to govern herself she had that right. They will have more difficulties before many days are past. There is no criticism of the Old Country about the work

she has done in India, because, in the main, the colonialism factor did not operate in that area like it has done in other areas.

There are two other things I would mention, one of which is the Persian position. That will cause a lot of difficulty, not because the Persian people have not the right to full access and control of their own resources, but that I question, in equity, whether you can find justice when a Government without consultation with the other party, completely abrogates an agreement which has a long period of years to run. I think, however, that the Persian people have some justice in their case in asking for a better return from the resources of their own land. Personally, I want to be convinced that the Persian people will receive the extra benefit and not on the basis of sovereignty just a change of exploiters by those outside the borders of Persia to those inside. That is something that ought to be carefully analysed. This Persian difficulty will be great. There are difficulties in other parts of the world. We have not looked at the difficulties that are going to arise in Africa in the next half century. I do not want to comment too much on that. There is some progress being made in the abandonment of colonialism in that area of the world, but there are other factors arising that will create difficulties for all government inside the English-speaking world. I would not add in the slightest degree in that field, at any rate, to the difficulties our Government, with other Governments inside the Commonwealth, has to face in that direction.

There is a lot more we could discuss about international affairs, but I do not propose to say anything more except to comment on the K Force. I am glad that armistice conditions are to be examined in the next week or so. I hope they will result in the cessation of hostilities and that our men will come back again to New Zealand. They have done a very good job and have won the plaudits of all people who know something of their work. It was quite good that this House was unanimous in its determination to do our share in building up the Force that the United Nations required in that part of the world. In speaking of the K Force, I would like to comment on two things. I want to thank the Government for its decision to repeal the income-tax on the pay of the men in K Force. The Government will still require to alter the law passed last year compelling members of the K Force to pay taxation.

The Hon. Mr. F. JONES.—The Brooklyn by-election did that.

The Right Hon. Mr. NASH.—That is right. The law will have to be amended this session, because the existing law says the men of K Force are subject to income-tax and social-security charge. It has been stated by the Government to be not operative; it is not to operate. Well, the Government looks to be taking the road, "If the law does not suit, we will not act on it; we won't apply it," because during the Brooklyn by-election the acting Prime Minister said, "We are not now going

to charge the tax on K Force pay." I want to thank the Government for that concession to the men. They appreciated it very much indeed. I do not think they thanked the Government for it. I do because nobody else could have given the relief we thought they were entitled to. I wonder would the Prime Minister take note of whether there is a possibility of giving the K Force men from the Public Service the same privileges as they had before. When the servicemen went overseas for the 1939-45 war the Government paid the superannuation contributions. These contributions are not being paid now for the benefit of K Force men. I wonder if the Prime Minister would look into that matter. I have had two letters from men in the K Force. These two men consider that they ought to receive the same privileges as were available in the 1939-45 war. I will comment later on the fact that the Government has not spent as much on defence as the previous Government planned. The Government was committed, on the arrangements made by the previous Government, to spend more money on defence during the last financial year than it has actually spent, and I am sorry that it has not gone as far as I think it reasonably could have. That covers international affairs as far as I wanted to go.

I come now to some internal questions. First, in April of 1949 our living-costs were the lowest in the world; second, in that year there was only one country which exceeded New Zealand in productivity per man-hour. We were second in the whole world in production calculated on the basis of international man-hour units. This information is from an article prepared, I believe, under the authority of the United Nations, by Colin Clark, and published in the *Economic News*. Colin Clark is the Director of the Labour Bureau in Queensland, and he takes real national products per man-hour and quotes the actual output in 1947. In production he puts the United States of America first by 1.19, New Zealand second by 1.07, and Canada third by 0.96. Those are very interesting figures. [*Time extended.*]

I now come to some cost-of-living figures. I wonder if the House has noticed that the all-groups figure is now 11.1 per cent. up on 1949? Taking that figure into account and measuring the commodities that are most in use in the home, meat and fish are up by 21.7 per cent., fruit, vegetables, and eggs by 12.1 per cent., other foods by 25.6 per cent., and all foods by 21.5 per cent. Those are the increases in the cost of commodities that are absolutely essential in every home. The Government, by amending regulations to provide for a general order to be made, enabled the Court of Arbitration to hear claims which resulted in the Court giving a judgment that wages under awards should be increased by 15 per cent. That increase is, however, not sufficient in all cases to cover the increased cost of food and other essential commodities at the higher prices now prevailing. Where the income of the home is low the major portion of the income is spent on food, and the next heavy cost for the low-income

home is fuel and light, which is up by 20·8 per cent. So the increase of 15 per cent. awarded by the Court of Arbitration, and the increase in social-security benefits paid by the Government, have not compensated the older people and mothers with fairly large families for the increase in prices. They have lost tremendously on the deal; they have been hit most hard of all. There are cases of large families and aged beneficiaries where more than 40 per cent. of the income is spent on food. In certain other cases of high income 5 per cent. is sufficient to purchase all the food, and in one or two cases, where the income is very high—in the case of wool “kings” and those getting £10,000 a year—the chances are that not more than 1 per cent. is spent on food. They cannot eat much more than do the people on low incomes; they ought not to, anyhow. They might eat different food, but that is all.

The old people have been hit very hard by the Government's policy of inflating our currency—in essence, by the increase in the cost of living and the removal of subsidies. The young people have also been hit very hard. The difficulties of those who are about to be married are very real. They have to buy furniture; they have to buy houses at prices which have increased by 50 per cent. I shall have something to say about houses later on. Home furnishings cost more; perambulators, layettes, knitting-wool, and all the rest of it have increased tremendously in price. The Government is entirely responsible for the initial stages of the increase in living-costs; no one else is responsible. Never mind the defence that the member for Wairarapa tried to put up last night. You cannot get away from the fact that the initial increase in our cost of living was due directly to the one cause, and that was the action of the present Government in removing subsidies after it had promised not to do so. I have here figures relating to some of the goods. Tea has increased in price by 51 per cent.; sugar, which also comes from overseas, of course, has increased in price by 24 per cent.; bread by 36 per cent.; jam by 29 per cent.; bacon by 27 per cent.; and baking-powder by 12½ per cent. It is not worth while going into details of the increase in the price of meat. Every mother knows all about that. She knows what she pays to-day compared with what she paid in 1949. Fares for the youngsters at school have gone up by varying rates from 25 per cent. to 50 per cent. In Wellington they have increased to an unprecedented extent.

The cost of goods and services that the ordinary people need has gone up to an unprecedented high level. And while those costs have gone up, share-prices have gone up also. The people who own shares have made fairly good profits over the years. The price of industrial shares have increased by 16½ per cent. within eighteen months, financial shares by 28½ per cent., and all groups of shares by 23 per cent. It is not, as a rule, the working section of the community or age beneficiaries who own shares; they are not the people who are getting that money. Taking the increase over eleven years, industrial shares have

*Right Hon. Mr. Nash*

increased by 60 per cent., financial shares by 77 per cent., and all groups by 70 per cent. The increase within eighteen months, however, is indicated by the figures I have given. The amazing rise in the price of financial shares, of course, is due to the removal of land-sales control. The effect of that action by the Government has been very bad. I do not know of any more devastating effect on living-costs and general prices than the removal of land-sales control. Early last year I was privileged to say in this House that I thought mortgage figures would go up to £50,000,000 within five years. Last year registered mortgages totalled over £46,000,000. I thought it would have taken much longer for them to have reached such a figure.

I now come to another figure of some importance—namely, savings-bank deposits. The figure for excess of deposits over withdrawals for the year ended March, 1951, was £1,205,000, while for the previous year it was £4,657,000. Excess of withdrawals over deposits at November, 1949, totalled £46,000, while last year they totalled £408,000. In other words, they were nearly ten times as much in November, 1950, as they were in November, 1949. That is due, of course, to the higher price of goods and the increased cost of living preventing people from saving. In February and March of 1950 withdrawals over deposits amounted to £745,000, whereas in February and March of this year the figure was £1,289,000. In other words, in those two months of 1951 the fall in savings was nearly twice as much as it was in the corresponding months of 1950. The workers did not have sufficient money to pay current prices and also to put some money in the Post Office Savings-bank. I have already recorded the figures about the cost of living rising by 3 per cent. in each of the two first quarters of 1950 and by 1½ per cent. in each of the three following quarters, and I have pointed out how hard that has hit the old people.

May I recall that one of the main charges against the Labour Government was that the credit of the country was being ill-affected by the use of bank credit. I wonder whether members of the Government party have looked at the figures lately. On the 30th November, 1949, the trading bank advances amounted to £83,867,000. The latest figure published on the 28th March, 1951, was £133,101,000. If my information is correct, as I believe it to be, there has been a greater increase during the period of the National Government than in the whole period of the Labour Government, including the war years. So we have an increase of £50,000,000 by a Government that said that we were to have no more bank credits. That increase is one of the things that had driven prices up—indeed, it has done so more than any other single factor. The Government gave the banks the right to do this. First it told the banks that they could make advances of £2,000 to any one at their own discretion. Then the banks were told that they could make advances up to £4,000. I know of a case where there was a debenture of £1,000 due for redemption. Previously, it

would have been necessary to renew the debenture, but under the National Government it has been possible to borrow from the trading bank to repay the debenture. In such a case it meant that there was purchasing-power amounting to £2,000 put into circulation instead of £1,000. There are many people happy because they have day-to-day overdrafts on which they pay the banks only day-to-day interest, but the general public is paying the price to enable them to have that accommodation. We have at least £50,000,000 more in circulation, and that is not all due to rising prices; rather it has been a cause of rising prices—indeed the main reason for the high prices of New Zealand goods to-day is that the Government gave the banks a free hand. Now the position has been reached where the difficulties that have been created are being discussed.

I am anxious to show one section of the community how it has been affected by the Government's policy. In doing so I have taken the increased prices as only 10½ per cent., although, they are much more now. A person with £100 in the Post Office Savings-bank in 1949 can only buy goods to the value of £89 10s. with that money to-day. In other words, such a person has lost £10 10s. Take a person who has been paying insurance premiums for thirty years: since this Government came into office a £500 policy has dropped in value to £447 10s. The people affected are not those who have benefited by the 15-per-cent. increase awarded by the Court of Arbitration; they are people who are depending on their savings for sustenance in their later years. I repeat that the value of all money has declined by 10½ per cent. since the National party assumed office. I want the people who have £1,000 in the Post Office Savings-bank to realize what the action of the Government means to them. It means that they only have purchasing-power to the value of £895 to-day. If a person had saved £5,000 up to 1949, then it is worth to-day £4,475 only. That is the most menacing circumstances that is facing us in this country, and it is not due entirely to the higher prices ruling overseas; it is because of the Government's action in abolishing subsidies, subsidies that I believe the Government would restore to-day if it could, and I think it should. The Government has so much revenue, that it does not know what to do with it. In certain fields, this Government has much more revenue and surplus proportionately than the Australian Government. The Government is embarrassed by its riches.

Let me say how the old people are affected, too. The Government has increased the age benefit by 15 per cent., which amounts to approximately 7s. 6d. a week for one or 15s. a week for two beneficiaries. But the old people cannot buy the same quantity of goods even with the 15s. extra as they could before the increase in prices. They are worse off to-day than they were before. The person with a family has been given £5 for each child. All that the Government has done there, is to rob them of £1 10s. per annum. They should have been given the half-crown increase in

benefit, which would have made an increased payment of £6 10s. per annum, and even that sum would not necessarily have compensated the mother for the extra costs with which she is faced. Instead of that, however, the Government has given them this £5 out of kindness, out of charity, which is the sort of thing that no Government should be responsible for in circumstances of this nature—these people should have it by right. They should not have been given £5 for each child; they should have received £6 10s. per annum for each child. In any case, that would not compensate for the loss of subsidies. I have referred to bank advances.

There is one other matter I desire to mention. Honourable members will recall that some years ago the Labour Government adjusted the rate of exchange. The National party, through its leader, said at that time, referring to import control, "They"—the manufacturers—"have lost 25 per cent. of their protection. The policy of the National party is that in considering the protection which will be given to manufacturing industries we will take that 25 per cent. into consideration as if it were still on." Does that mean the Prime Minister is going to increase all tariffs by 25 per cent.? That is what the statement says; a statement headed, "Mr. S. G. Holland's Pledge". It was made in July, 1949, and is an extract from the speech of Mr. Holland in the Address-in-Reply debate of that year. I want to know, and this House is entitled to know, just what the Government is going to do about import control, and in particular about the statement which I have just mentioned.

One other matter on which I wish to comment concerns the question of housing and what has taken place since the Government removed the land-sales control. In the twelve months ended the 31st March, 1951, the sales of urban properties, houses, and so on, totalled in value £61,518,000 or more than twice the value in any previous recorded period. Sales of urban land totalled £17,842,000. So, as near as does not matter, £80,000,000 changed hands for urban and rural properties last year, and not a single house was constructed for that money. It has not added by one iota to the number of houses or rooms available for the people to live in, and £4,000,000 has gone to the land-agent and others in commission, legal fees, and so on. The Minister in Charge of the State Advances Corporation should have a look at the result of the Government policy.

I now come to another point in regard to houses. The Minister in Charge of Housing Construction said last year that the Government would complete more houses in its first year—that is State rental houses—than had been completed in any one year by the previous Government, but he did not tell the people that 3,821 of those houses were already started when he took over control and that the number finished was about 4,600; so that he put into construction less than 1,000 houses over and above the number already provided for by the previous Government. In 1950—the calendar year—the permits for State rental houses

numbered 2,028, and in 1949 they were 2,944. In the first three months of 1951 the number of State rental house permits was 234. That is less than 1,000 a year, and the number of other permits was 1,259. There were, in total, less houses finished last year than there had been in any other year for some time. The Government transferred builders from work on houses to work on commercial buildings. In value, there are more commercial buildings being erected now than at any other period in the past four or five years, but as I say, the Government has taken the men away from the houses in order to construct commercial buildings. I wonder which is the more important—houses for the people to live in, and I will give details of the conditions some people are living in, or the commercial buildings for which the Government is providing money. If we take the price of town and suburban properties sold it will be seen that they have gone up by £401 per transaction since the present Government took charge. The increase, as shown by the May *Abstract of Statistics* for the year ended the 31st March, 1951 is 48 per cent., but if the months of March, 1950 and 1951 are taken into account the increase is 66·7 per cent. That is the increase in price for transactions in urban properties. If we take rural values the price per acre is up by 142 per cent. in the twelve months. That is destroying the rehabilitation programme as worked out and put into practice by the previous Government.

According to the evidence of *Freedom*, the National party's weekly newspaper, there are many cases in which returned servicemen, although they have the ability, experience, and knowledge, cannot possibly get the necessary capital. The Minister of Rehabilitation has said, and *Freedom* gives very good evidence for it, that it is impossible nowadays to get established farms on which to settle returned servicemen. There were arrangements made previously by my colleague the member for Buller which will probably be completed, but the hardship is real on the men who are actually on the land as well as it is to the thousands of returned servicemen who will never go on the land. I am sorry that the Government refused to extend the facilities for the rehabilitation of returned servicemen to men who were victims of industrial accidents. That was one of the best proposals for the use of facilities—to restore disabled persons to production—with the equipment not now required for ex-servicemen. When my colleague the member for Buller was Minister of Rehabilitation he had in mind that all the facilities that were there should be used to train the people who were victims of motor accidents and industrial accidents. The Government said "No," but somebody from Britain has been here since and said it ought to be done, and I hope the Government will arrange for it to be done.

I wonder if the Minister in Charge of the State Advances Corporation will listen and perhaps help me and other men who require his help. I have had several cases submitted to

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me in which it is impossible for returned servicemen to get a home. They cannot get the suspensory loan of £200, and they cannot build a house inside the price that is provided for under the suspensory-loan proposals. I have here one case that concerns a man who purchased a section for £465. It is one of the sections that the Minister has sold at a profit of £100 or more—that is, over and above the cost to the previous Government. The best tender this ex-serviceman could get for the construction of a house was £2,400, and that, plus the price of the section, made him ineligible for the suspensory loan. I have discussed the matter with officers of the State Advances Corporation, and I cannot obtain any information that will lead me to think that that man will be enabled to get a home. There is an ex-serviceman—an airman—from Invercargill who is very sore because he has no earthly chance of getting a home in that the best tender he could get was approximately £2,600. I have two other cases that I shall be glad to show the Minister later. I only refer to those cases because they happen to concern ex-servicemen. They cannot get homes at a price that will fit into their incomes, and the cost of the homes makes them ineligible for the suspensory loan.

I have here a letter from the State Advances Corporation, dated the 10th January, 1951, to a tenant in one of our country towns. This letter says that their rental will be increased from £1 14s. a week to £3 a week. The letter states that, on a rough calculation, it appears that a fair rent is about £3 a week, and "We approach you at this time to ascertain whether you are prepared to agree to an increase in rental to this figure." I have another case in my own electorate, and this has something to do with the Minister of Labour. This is the case of an old couple who paid 15s. a week in 1933 for half a property. This rent was increased to 17s. 6d. a week in 1935, and to £1 a week in 1937. Under the provisions of the Government's tenancy legislation the landlord gave them notice that he proposed to further increase the rent. There was some argument as to what they should pay. I think the Department of Labour and Employment made a mistake in the advice that was given—quite a *bona fide* mistake. Ultimately the case went to the Court, and the Magistrate made an order for a rental of £1 12s. 6d. a week, to be increased to £2 a week if certain repairs were carried out. This old couple are paying £2 5s. a week for premises that carried a rental of 15s. a week in 1933, and £1 a week in 1937. There are other cases, and they should all be quoted.

Here is the case of a man on a property in the Hutt Valley. He was paying £1 7s. 6d. a week, which was quite a fair rent. The State Advances Corporation sold the property to somebody else, and the purchaser took the case to the Court, claiming £2 5s. a week. The new landlord stated in writing that he was willing to accept £2 a week. The Magistrate ultimately fixed the rent at £1 17s. 6d. a week. In addition to these practices the State Advances Corporation has adopted another practice which is making the position more difficult than ever.

Here is the case of a house that is controlled by the Corporation. The house was built by the Government at a cost of £1,200 in 1938. The Government offered it to the occupier for £1,875 in 1951. The Government has had rent for thirteen years, and wants £675 profit on it. So the Government, under these conditions, will easily get rid of any deficit in the Housing Account—indeed, it must have already cleared off the deficit by the sales it has made. I guarantee that there will be £500,000 profit in the £2,500,000 of sales that have been made. The Government had sections in the Hutt Valley that cost £300 each; and these are being sold at from £400 to £550 each. You cannot blame private citizens taking advantage of the position, if the Government is doing so. The cost of the house was something over £1,200 and the price which I have quoted at which it was offered by the State Advances Corporation to the tenant was £1,875.

I want to deal with something affecting the Minister of Railways, and I should like this matter cleared up. I have particulars of the case of an old man who had been working in the Railways Department for thirty years. He was sixty-four years of age, and he had a wife sixty-two years of age. His wife's mother lived with them, and she was ninety-one years of age. The family lived in a Railways Department house for seventeen years. The man had been a shunter, and he gave up that job in the railways to take a light job. He did not at that time want to live on an age benefit; he would sooner do light work not at a high rate of pay, but at a wage that would be enough, with the money he had collected by drawing out his superannuation, to enable them to live. He was a very sensitive old man. The case went to the Court, and the Court order was that he was to be evicted on the 5th July. If my memory serves me alright he died on the way home from the Court. The State Advances Corporation told him that it would do what it could to help him, but in the meantime he got a letter saying that the Corporation could do nothing for him. The old man of sixty-four years of age and the wife of sixty-two years of age, with the wife's mother of ninety-one years of age had nowhere to go. They have been told that they must get out—I think, to-morrow. I have had no reply to a letter I wrote to the Prime Minister on the subject before he went to Australia. I should like to ease the minds of these old people. If they are going to stay in the house I shall be quite happy about it. At this point I should like to make a suggestion to the Prime Minister. Railway organizations in the Old Country have a system under which railway employees who have been living in railway houses for ten years may stay in those houses when they retire. This man worked in the Railways Department for thirty years and was in a railway house for seventeen years.

An Hon. MEMBER.—They are going to stay.

The Right Hon. Mr. NASH.—I am more than pleased to know that they are going to stay in that house; I think that will relieve their minds more than anything else.

Let me return to house properties. If we take the average cost of house properties for which permits were issued in 1949 and 1950, we find that there has been an increase of £192 12s. per house, and if we measure the period from March, 1950, to March, 1951, we find that the average increase in cost of houses for which permits were issued was £452 18s. The honourable member for Wairarapa said that housing costs were internal costs to the extent of 95 per cent., so that other than 5 per cent. that £452 18s. extra on the average is an internal cost and has nothing to do with overseas prices. I think that percentage is too high, but that does not alter the fact that on the evidence people are now paying nearly £500 more per house than they paid twelve months ago. My colleagues will be interested in the actual permits issued for State rental houses. In March of this year—three months ago—there were 56 permits issued, and that would represent fewer than 700 per year if that average were continued. The number of State rental house permits issued in the corresponding month of 1950 was 360. In the total number of houses there were 294 less permits issued in March, 1951, than in March, 1950. I do not propose to say any more except that you get some significant figures if you make a comparison of six monthly periods during which permits were issued for Government dwellings. During the six months ended the 30th September, 1949, the number was 1,567; in the six months ended the 31st March, 1950, 1,370; in the six months ended the 30th September, 1950, 1,035; and in the six months ended 31st March, 1951, 459. The Government apparently had abandoned its State-rental procedure. With regard to housing and immigration I think the Government's immigration policy is all right, but I think it ought to do more from the housing point of view. One case, however, brought to my notice is of a State rental house which, on becoming empty, was sold to a person who had just arrived from overseas. The Minister can check that up.

The Hon. Mr. SULLIVAN.—State the case.

The Right Hon. Mr. NASH.—All right. I am told that in the Hutt Valley a house that became vacant was sold to some one who came from overseas a short time ago. I will get particulars of the actual house and the actual person concerned. I have no antipathy to any immigrant who comes to this country, but I do not think they ought to have houses in preference to people who have been waiting here for five, six, and even ten years. I wanted to drive this other point home: the loss on the State rental houses up to 31st March, 1949, was £242,000, which is a smaller deficit than in any other country where they are doing anything to help people with houses. That represents the sum I am certain the Minister has already made by way of profit on the houses sold. I should say that he is on the right side with his State Advances Account. He may have a loss of £250,000 since then on the year's figures, but even if he has done so the profit on his sales should cover that also. There are two other significant things. One is

the fact that we have fewer permits and fewer employees on the construction of hospitals and schools than we had a year ago. There is a 25-per-cent. reduction in the number employed on State rental houses.

Now may I make some reference to airways. The lock, stock, and barrel policy has apparently been withdrawn; the Minister is not going to sell them now. He cannot, because his colleagues have taken the portfolio from him. I wonder if the Prime Minister, or perhaps it is the Minister of Social Security, would take into account an amendment which I think could reasonably be made in the social-security provisions. It probably was there when the Labour Government was in office, but it is a provision under which, if a man is on holiday, he cannot collect his sick pay. I think that ought to be altered. A man might be entitled to three weeks' holiday. If he is sick when the holiday starts, because he has not lost income he does not get any sick pay while on holiday. By remaining at home sick he will lose his holidays for a couple of years. I suggest that ought to be altered.

One other thing I would like to impress on the Government, particularly on the Minister in Charge of Housing Construction, is the cost of prefabricated houses from Holland. It is £2 17s. 4d. a foot. A cutting from the *Dominion* of the 3rd July says that for 900 square feet the cost would be about £2,580. That gives £2 17s. 4d. a foot before any further contracts are placed. I think that matter is worth looking into. I mention all these conditions, and I consider that any one of them, because of the ill effect on our country, warrants the amendment I moved when I started to speak in this debate. Nobody could have any confidence in a Government that has brought such disaster and trouble to thousands of homes and to hundreds of thousands of our people as this Government at present on the Treasury benches.

I now come to the waterfront trouble. When the Emergency Regulations were promulgated the press took notice of them, and if the Prime Minister will look it up he will find that a statement was circulated among the newspaper proprietors that they would not abide by them. I have a letter here from an important person in the newspaper world, for whom I have great respect, which says that, irrespective of the consequences he will publish any statement made by the leader of the Opposition—"never mind what the regulations say," he said. That was his note to me—"Never mind what the regulations say; whatever you desire to have published we will publish." I do not know whether we ought to have a state of affairs where any section of the community can say it is not going to abide by the law, and say it with immunity and impunity. I have also seen some of the Press Association instructions as to what the newspapers were to publish and were not to publish. Those things disturbed me. I want now to emphasize again what I have said before—that there were five opportunities of clearing up this dispute. I have come to the conclusion that the Government is determined not to do anything at all to reach agreement

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with the seamen, the watersiders, or the miners. The miners are going back, and the seamen will go back. I hope they do, but that is another matter altogether. They will go back because they will be driven back.

The Hon. Mr. SULLIVAN.—How do you know?

The Right Hon. Mr. NASH.—I know something about the miners. I saw the Minister of Labour regarding the conditions for return to work, and the answer of the Prime Minister, after seeing the Minister of Labour, was "No." Some one else went to see him, and the answer then was "Yes." Was it that the right party did not go? Was it that the Government was determined, no matter what was said by the Opposition to try and help solve the problem, not to act on any suggestion the Opposition made to it? I have a letter here that is worth while reading, because the Minister of Labour denied receiving such a letter. This is a straightforward letter, dated the 8th March, written under authority of the Waterside Workers' Union and sent to the Minister through Mr. Prendiville of the United Mine Workers and Mr. Giles of the Freezing Workers' Union. We ought to have this on record, because it shows that the dispute could have been settled on the Government's terms on the 8th March. This is what it says:—

"In reply to yours of yesterday, after consultation with representatives of the waterside workers, and in full agreement with them, we have the following proposals for consideration by your Government: (1) that the waterside workers are prepared to allow their dispute to go to conciliation, and, if necessary, arbitration, for settlement; (2) the waterside workers have agreed, and the United Mine Workers of New Zealand and the New Zealand Freezing Workers' Union are prepared, to accept three representatives from the United Mine Workers and the New Zealand Freezing Workers' Union to represent them in conciliation and arbitration conditional on the shipowners doing the same; (3) the watersiders are prepared to recommend resumption of normal work on the waterfronts throughout New Zealand, the Emergency Regulations to be lifted, and the *status quo* to operate in all respects as before the dispute arose."

The Hon. Mr. SULLIVAN.—Ha, ha! Put your friends back!

The Right Hon. Mr. NASH.—There is nothing the Government will not do to try to get out of it. This was as clean a statement as could be made, and it was exactly what the Minister of Labour had asked for. He had asked the watersiders whether they would accept the decision of an independent chairman. In this letter they said "Yes." That is all he had asked. It took the Minister five days to reply to that. He did not say anything about the *status quo* then. He said it was ludicrous to ask him to consider negotiations with representatives of two organizations that were already on strike.

The Hon. Mr. SULLIVAN.—Three.

The Right Hon. Mr. NASH.—Two, at any rate; the freezing-workers and the miners.

The Hon. Mr. SKINNER.—He had been dealing with them for weeks.

The Right Hon. Mr. NASH.—He had. They were the only people with whom he had been dealing. When Messrs. Barnes and Hill were asked to leave the room the people left were these people with whom the Minister later said he would not talk. Messrs. Prendiville, Crook, Kilpatrick, and Giles were the same people who had been continually negotiating with the Minister. Then it took him five days to find a reply. I should like to emphasize here that the Labour party only came into it on the 28th February. In a statement on the 28th February, from members of this side of the House, we set out what we considered ought to be the conditions, and all the conditions we laid down were the conditions that the Government had asked for. The first was that there should be a compulsory conference.

The Prime Minister, in a speech he made in Dunedin on the 28th November, 1949, said that his party would call a compulsory conference. We asked the Government to call a compulsory conference. We have always been in favour of and supported the industrial conciliation and arbitration system. We made that a condition of the compulsory conference—that there should be a compulsory conference and that the parties should accept conciliation and arbitration, and that they should undertake to keep their agreement once the decision was made, whatever the result. That was the statement made by the Labour party and published in the press on the 1st March this year. We were backing up to the full the statements made by the Federation of Labour and by the Government that there should be a compulsory conference and arbitration, and that the parties should keep their agreement. The Prime Minister was very courteous, but the Minister of Labour was not so courteous. The Prime Minister was quite good in the statement he made about the press statement of the Labour party, but the Minister of Labour took offence at somebody supporting him. I do not know why, but he did. After that, on the 6th April, I wrote to the secretary of the Waterside Workers' Union, in line all the time with finding a way of getting this matter settled. I shall read in part what I said in that letter; if any one likes he can see the whole letter:—

“Under the circumstances it is necessary to ascertain from your union upon what conditions settlement will be acceptable to your organization. For this purpose I would be pleased if you would in particular, advise me the views of your union on the following question: In the event of a compulsory conference being called of equal representatives of the ship-owners and the Waterside Workers' Union, with an independent chairman, will the Waterside Workers' Union give an acceptable undertaking to abide by decisions made by a majority of the representatives at the conference on

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wages and all new proposals already submitted by the Government in connection with the present dispute.”

It took some time to get a reply to that. I discussed the matter with the waterside workers' representatives again on the 12th April, and I received letters on the 13th April and on other days.

The Hon. Mr. SULLIVAN.—Has the right honourable gentleman got there the letter from the watersiders dated the 3rd April? Will he read that?

The Right Hon. Mr. NASH.—I do not know that I should; not that I mind. I do not know whether I have a letter dated the 3rd April or not. No; I have no letter of that date. All I am talking about are the two letters I submitted to the Prime Minister. I received a reply on the 16th April from the union. There were several other letters in between. I received a letter on the 16th April, and I saw the Prime Minister the next day. Our conversation was courteous and helpful. The next day I saw the representatives of the union again, because the letter of the 16th April did not contain all I desired. The union then sent me the second letter on the 18th April. The first letter and second letter were sent by me to the Prime Minister. The same day some one saw me and said that they thought they would get better results if they wrote direct from the union. They wrote direct to the Prime Minister. There would be something different in the letter sent direct to the Prime Minister than the one I sent in the morning. That night the Prime Minister received the letter from the union, and over the air he said that he had examined the letter and had discussed it with his colleague, the Minister of Labour. He also said that he was ready to enter into discussions with a view to reaching a just and honourable settlement, but at the same time he said that it would have to be on the conditions that the Government had already laid down. That was his statement on the night of the 19th April, and it was published in the newspapers on the morning of the 20th April. I am referring to the statement that he was ready to enter into negotiations. The important point about that is that at that time there were practically no port unions formed.

The Right Hon. Mr. HOLLAND.—There were twenty-three.

The Right Hon. Mr. NASH.—There were four. According to my information on the 19th of April there were new unions at Tauranga, Whakatane, Opotiki, and Gisborne. I have a list of the other ports where no unions were formed until the 21st of April. At that point the matter could have been settled, and I willingly agree that the Government could not go back on its word to those members who had gone to the various ports to work. I never suggested that it should, but there was no reason why at that time the discussions could not have taken place, because the Prime Minister said that the Minister of Labour and he were quite prepared to have discussions with responsible and acceptable representatives of

the Waterside Workers' Union. The Prime Minister's offer was published in the *Dominion* of the 20th April. That same night he turned round, and in the *Evening Post* he said that there would be no discussions. That was the best opportunity offering after the 8th March to settle the matter. On the 12th of May some members of the Waterside Workers' Union saw the Minister. They were ready to find a way of obtaining a settlement. Three days later the Minister laid down rougher and tougher conditions than ever, and wrote a reply that was neither conciliatory or anything else.

The Hon. Mr. SULLIVAN.—That is not correct.

The Right Hon. Mr. NASH.—It is absolutely correct. There is not a statement I am making that cannot be sustained in its entirety by documentary evidence. The last one was misquoted the other night by the Attorney-General. I cannot refer to a previous debate, but I have here a letter that was published in the press the other day in reply to what the Minister said. In that letter the writer says that they positively stated what they desired was no victimization. That did not mean that everybody would go back to work. They desired that an election of officers should be held in each port. Then they desired conditions of employment to be the *status quo* prior to the lock-out.

The Hon. Mr. SULLIVAN.—The election of officers where?

The Right Hon. Mr. NASH.—At all the port unions. They must have their officers. Then they wanted the wage question to be settled by an independent tribunal. The members of the union have asked the Minister where that conflicts with anything previously asked for by the Government. They have not had a reply.

The Hon. Mr. SULLIVAN.—Read the reply of the 14th April.

The Right Hon. Mr. NASH.—No. I do not know about the communications that the Minister had with other people. All I am concerned about is the communications I had from them for communication to the Prime Minister. The Prime Minister has had those letters. In the remaining time at my disposal I come to the regulations. I consider them to be the most iniquitous ever written into the law of any country. There is nothing like them. Freedom of assembly has gone.

The Rev. Mr. CARR.—They are an abrogation of human rights.

The Right Hon. Mr. NASH.—Yes, and yet the Government only recently issued a circular on that subject. Freedom of assembly is denied. Freedom of speech is denied. The sanctity of correspondence is over. The Government has special powers to open any correspondence it wants to open. The Minister of Labour said that he had £70,000, but that he was not going to pay it out, although the men had earned it before the 15th February. A commencement was made in paying the money out only two or three days before this House assembled.

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The Hon. Mr. SULLIVAN.—Oh, no.

The Right Hon. Mr. NASH.—It is right enough. None of the men who have not returned to work received the bonus they had earned prior to the 15th February, early in the year, until last week. The Government has talked about "No intimidation." Time and time again the Government has said that it has not interfered with food-supplies. That is not true. The Government has continually intimidated people. Here is one instance. The Minister of Labour said—and I should think we could find half a dozen occasions when the Prime Minister or the Minister of Labour have been reported as follows: "Approaches for aid alleged . . . The Minister added that any person who was approached to make a contribution whether in cash or in kind was requested to advise the police at once." That is to say, if a watersider's family is hungry and the next-door neighbour gives that family some food to eat, then the next-door neighbour is liable to three months' imprisonment and a fine of £100. Yet, the Minister says, "We have never interfered with food-supplies." The facts remain that that is the law. Then there was one watersider who went back to work in Wellington and casually mentioned that he was sending £3 to help his sister. It was found that his sister was the wife of a watersider at Wanganui, and he was expelled from the union. His statement was very clear—"My sister helped me, and I am going to help her."

The Hon. Mr. F. JONES.—Members opposite laugh.

The Right Hon. Mr. NASH.—Yes, they find it an occasion for laughter. I do not like to say what I think about it. Then we had the Minister of Internal Affairs, acting for the Postmaster-General, saying that powers were being taken by warrant under the Post and Telegraph Act, 1928, to open any packet.

The Hon. Mr. BODKIN.—That was not under the regulations, but under the Post and Telegraph Act.

The Right Hon. Mr. NASH.—The Minister had to get a special warrant from the Governor-General enabling him to do that. The Government has done further things, and I should like the Prime Minister to hear this, because he has done something to help in this direction. Any watersider who fell sick either just before or just after the trouble started, if he did not go into hospital before the cessation of work, was denied sick benefit. I have before me seven or eight letters—and one of my colleagues has eight or nine more—in which the Social Security Department refused to pay sick benefit on account of the fact, the Department said, that the person concerned, had not lost—

The Hon. Mr. BODKIN.—That was Labour legislation, and I altered it. That was legislation passed by the honourable gentleman's own Government.

The Right Hon. Mr. NASH.—And it has taken this Government until the House met to remedy it. It has been done in certain cases

this week. I spoke to the Prime Minister about it one or two months ago, when he said he would look into it at once.

The Hon. Mr. BODKIN.—And it was fixed up immediately.

The Right Hon. Mr. NASH.—What an untruth that is. I have before me a letter dated the 16th June, saying that the payment will not be made. Some statement was made the other night about non-victimization. I have here a letter from the carriers' organization to every member of the Master Carriers' Union asking for the names of every employee who has not carried on his work on the waterfront. That was for one purpose only. To stop those employees getting work. The Minister, in writing to me the other day, said the Railways Department had never refused employment to those people. That is incorrect, and I have the proof of it here. There are two cases at Dunedin. I have the names of four other persons in Wellington, and every one of them was refused employment by the Railways Department, in spite of the fact that since the matter was raised the Minister has written to say that the Department has not refused work to any one. I have a long list here. I would now like to ask the Prime Minister if he is going to keep his word in future years in regard to the radio. We have been denied completely access to the radio since the House rose in November last.

The Hon. Mr. DOIDGE.—We were denied it for fourteen years.

The Right Hon. Mr. NASH.—That is incorrect. On the 6th July the Prime Minister said:—

"I have strenuously condemned the practice of using the radio for the purpose of propaganda, putting forward only one viewpoint. I do not believe it is right and proper for the radio to be used for propaganda purposes for one side only. I propose to practise what I preach."

Hon. MEMBERS.—Ha, ha!

The Right Hon. Mr. NASH.—I do not know what to make of it. Now I want to ask the Prime Minister what he has done in regard to the 64-per-cent. increase to the shipowners. What is the difference between the shipowners and the waterside workers? The Government did not have any conference with the waterside workers. It said to them, "We will not talk to you; you can go back on our terms." The shipowners, on the other hand, said, "We want 50-per-cent. more, plus the 10 per cent. we had on the 1st May, or the ships do not come here." A month ago the Prime Minister said he had had a discussion with the shipowners. What is the result of that? Why cannot we know? Has this organization from overseas the right to bleed this country in that way—64 per cent. inside three months?

The Rev. Mr. CARR.—The farmers do not think so.

The Right Hon. Mr. NASH.—No, I know they are excited about it. I do want the Prime Minister to go into that matter a little more.

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I want to speak now about what has happened during the last few days. On Friday of last week some women came to see me, saying they had been refused the right to have a public meeting in the Town Hall. They said they were the wives of watersiders, seamen or miners. They said their right to have a public meeting was refused to them, first by the police and then by the Minister in Charge of Police. The women were asked the names of the speakers they proposed to put on the platform, and when they gave the names they were told, "We will stop this one, and we will stop that one."

The Hon. Mr. DOIDGE.—What are the names?

The Right Hon. Mr. NASH.—Mrs. Barnes, I think, was one of them.

Hon. MEMBERS.—Ha, ha!

The Right Hon. Mr. NASH.—That means that a person who has a bad name is not to have the right to speak publicly in this country. That is simply denying all the principles of British law, but the Government can override any law. It has power under the Emergency Regulations. During the last few days officers of the Government have gone into the office of the trade-union secretary and used drills to open the safe and take out the contents, which is something that could not be done in any other British country. Officers of the Government have also gone into private homes. They went into one home at night-time, when the youngsters should have been asleep, and searched the house. I think this country is coming to a very bad state. I am not blaming the Government for trying to maintain food-supplies; that is another matter altogether. I would like to quote now the opinion of a very good Church paper the *Outlook*, which has a very fine article indeed. It is critical—

The Hon. Mr. DOIDGE.—They back up the Government, do they not? They do not think much of the leader of the Opposition. Read the article.

The Right Hon. Mr. NASH.—I have never heard them say that.

The Hon. Mr. DOIDGE.—It is a front-page article. I will let you have it to-morrow.

The Right Hon. Mr. NASH.—I am only quoting this in the hope that something is going to be done to put this country right. This is what the paper says, in part, when referring to the Government:—

"First, was it wise to resuscitate in full those 1932 (Depression) Emergency Regulations? Second, was it right to prevent the watersiders' case from being presented to the people? Third, was it Christian to refuse to agree with the adversary on the road (Matt. 5 : 25) and to demand the uttermost farthing of defeat?"

I put those same questions now to the Prime Minister. The Government is winning. It cannot help but win. We said so from the beginning. We never said anything else. But I am saying that the way the Government has gone about this business in the last five months

has created bitterness that we will not overcome for many years. I am keen to reduce that bitterness. It will not help us. The sooner we get rid of that bitterness the better. If the Government had given way by an inch at any time there would have been a chance of this matter being settled with reasonably good feeling on the waterfront. I have said all I want to say in regard to the subject. I am certain that this trouble could have been settled three months ago with less difficulty than it is being settled to-day. It is harder to settle the matter when the Government is winning than it would have been to settle it on the 8th March.

Mr. SPEAKER.—Who seconds the amendment?

The Hon. Mr. SKINNER (Buller).—Sir, I second the amendment.

The Right Hon. Mr. HOLLAND (Prime Minister).—Sir, my first words are to extend my very warm compliments and congratulations to the two members who moved and seconded the motion for the Address in Reply—the honourable member for North Shore and the honourable member for Wairarapa. I thought last night that the honourable member for North Shore had reached an ethical plane in his speech that is seldom exceeded in this House. We are all the better for listening to speeches of that nature. I wish him well. I am sure his constituents would be happy to listen to him. I thought the honourable member for Wairarapa gave us a very thoughtful study of practical economics last night. He has a happy way of reducing these complicated problems to simple terms that every one can understand. I am sure that every one must have listened with pleasure to his speech. It may be that some would disagree with him, but I am sure every one would compliment him on the nature of his preparation which was very thorough indeed.

I wish to say how happy I am, as a member of the Government, to voice the opinion that we looked forward with the greatest possible pleasure to the forthcoming visit to New Zealand of the Royal Family. Nothing could give this country of ours and our people greater pleasure. Nothing could tend to strengthen the bonds of Empire more than a visit from our reigning sovereign and his gracious Queen. When I was in London, as you were, Sir, and met the Royal Family, I did express to His Majesty that the first thought of the New Zealand people was to preserve the health of His Majesty; and I am hoping that the rest that he will now be privileged to enjoy will restore him to a condition of health that will enable him to make the trip to New Zealand. I trust that in that case he will be refreshed thereby. Of Princess Margaret I do not know quite what to say. I wrote in my notes "She is a dear." Then I thought that that was not the right thing to say, so I will not say it. But I will say she is a very wonderful Princess. She is looking forward to her visit to New Zealand. When I had the great honour of meeting her she did address some interesting questions to me about her

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itinerary concerning which she said somebody had been keeping something from her. She wanted to know all about Greymouth, Invercargill, Gisborne, and the other places she will be visiting to relieve the strain on His Majesty. The other introductory comment I should like to make is that on behalf of the people and all members of the House I should like to say, with great respect, how glad we are that His Majesty has seen fit to raise to the peerage our distinguished and gallant Governor-General. It has been a great honour to him and to our country, but I think the honour does not belong to him alone. His gracious wife has contributed immeasurably to the great success he has achieved during his term of office as our very welcome Governor-General.

I approach my task to-night feeling that the industrial crisis is virtually over, but I feel in no sense in the mood to do any boasting about it; rather do I feel a sense of relief. If reports appearing in to-night's paper materialize—

The Right Hon. Mr. NASH.—It is doubtful.

The Right Hon. Mr. HOLLAND.—It is doubtful whether the reports will materialize? Well, it is with feelings of relief that we read of the developments. We can feel as a Government that we have done our duty, and if we have done our duty I think we can be satisfied. We can say that we have not yielded; we have promised that we would not appease, and we have not appeased. We have not let the people down. The "Reds" threw down a challenge to constituted Government in this country, and constituted Government took up that challenge. To-night I am happy and proud to give some account of our stewardship. I adhere to the view that I have expressed so often that the average New Zealand worker is a decent honourable citizen, prepared to give a decent day's work in return for a decent day's pay.

I appeal to the strikers to go back to work; to do a decent job and to work alongside their mates in harmony. I appeal to them to use the machinery that is provided in abundance for the purpose of adjusting any industrial difficulties, to settle their problems. I appeal to them to shun the enemies of the country as they would shun poison—to cast them out of their organizations, and not allow them to have any influence and power in the community. I appeal to them to let the average decent, honest and upright New Zealand men and women undertake the responsibility for managing their own affairs. Do not let the control of their affairs be taken over by the enemies of the State, and the enemies of every individual in the State. They can count on the Government's good will. Let us all, then, work happily together. I appeal to unity in our community. In a small country like ours, where nearly all of us are workers, there is no room for divisions between sections of the community. We have to live and work together. I hope that at an early date, if to-night's press forecast is realized, we shall soon have a meeting of Cabinet to reduce the Emergency Regulations as much as we possibly can.

To the leader of the Opposition I extend my compliments. He began his speech in a most significant way. He moved a motion of no confidence in the Government, saying that it has lost the confidence of this House, and he said that he wished that he could say "and of the country." Will it not be a day when he is able to say that he moved a motion that has the support of the country? People expected an attack on the Government, but I do not think we can flatter what we heard to-night as an attack on the Government by any means. What did he say? He brought up his correspondence files, and he referred to a number of letters received to which he had not given us the chance of providing an answer, but which will be answered because there are answers. He spoke about bank advances having increased from £82,000,000 to £136,000,000 from one period to another. Would it not have been fair if he had said that there had been a strike on for the last three or four months, and that if he had been in office the picture would have been exactly the same because the banks were obliged, if they did not want the country to become temporarily bankrupt, to see the thing through so as to avoid credits that were available being exhausted. Then he said something about oil. I was a little disappointed when he said the Persian people have some justice in their case. Would it not have been nicer to have heard him say that the British people have some justice in their case? Is it not remarkable how rapidly people will fly to the aid and support of people who break their agreements and to the aid of people who refuse arbitration. Why is it we always think of those people and have not a thought or word for our great Empire?

Hon. MEMBERS.—Oh!

The Right Hon. Mr. HOLLAND.—Yes, I am prepared to use the word Empire, and when Britain fails to remain British then I do not want to live any more. That is my feeling towards the British Empire. The right honourable gentleman has given me so many pages to answer, and as I have other things to say I shall only touch sketchily on matters he referred to. I think it is the due of the leader of the Opposition that I should do so. He said that the Government had given instructions to the Court of Arbitration. I give that a most emphatic denial. I cannot say more than that. We have not given the Court of Arbitration a single instruction. I do not think the leader of the Opposition could know, for I do not think he would say it if he knew, but that is a fact. We have not given instructions to any one. He said something about the manufacturers' case and read from a speech I was able to deliver that we would take 25 per cent. into account when we were considering protection for manufacturing industries. I stand by that. That still obtains to-day. The manufacturing industries have never been better off than they are to-day. Here is the answer. There are more vacant jobs in New Zealand to-day than ever before in the history of this country. That is the answer. That cannot be called into question.

Then he dealt with houses. He read over those figures very well. My colleague in charge of the State Advances Corporation has just provided me with the corrected figures. In 1950-51 we completed 16,400 compared with 15,800 the previous year. What is wrong with that? What he did was this—it is perfectly legitimate if he can get away with it but this time he cannot. He gave State rental houses alone and left out the others. The policy of this Government is to build private houses; to help people build their own houses. It is the total number of houses that are built that really counts. He spoke about suspensory loans and made a complaint about costs having gone up. What he forgot to say was more important, and that was that under the old Government there were no suspensory loans. Why is it they forget these things? When we came into office there were none. We introduced a scheme in our first year of office giving a person who built a £2,000 house a suspensory loan free of interest for seven years. If he occupied the house at the end of that time we would write the whole of the suspensory loan off.

The leader of the Opposition said that we have altered the rules about the sickness benefit, and so on. We just followed the Labour party rules. It had a carpenters' strike in Auckland. When we had a strike all over New Zealand, we said we will do, in the meantime, what the old Government did. We did precisely what they did. I am happy to be able to say we have improved on that. There has been a considerable number of improvements which we will deal with at the proper time. He made comment about the butter we consumed and the price of butter and how poor the people were. He overlooked saying how much they were eating. That is the test of how well off they are. You could not get cream when they were in office. We took rationing off cream. The Minister of Health says that in 1950 the people of Wellington consumed 113,710 gallons of cream. In the previous year 64,036 gallons of cream were consumed. That is how poor they were!

Let us have a look at the sales of butter. The leader of the Opposition spoke of "pack-horses" and lighter baskets. In 1949 the people of New Zealand consumed 23,000-odd tons of butter, but last year the figure was 29,500 tons. That is how much better off they are. Then he spoke about a State house being sold to an immigrant. Would it not have been fair of him to give the details beforehand? He knows that the Corporation's offices are closed and that we cannot trace a thing like that immediately. But I am able to tell the House that it is quite outside the rules for that to be able to happen, and that the Minister has never given permission for any such sale. We have telephoned the officers of the Corporation, and they say that they know of no such case. Surely it would have been reasonable for the honourable gentleman to have contacted us before making such a statement in the House. Surely I am fair in saying that before these cases come to the floor of the House we ought to be given a chance to look up the files.

The Hon. Mr. WEBB.—They should learn to play cricket.

The Right Hon. Mr. HOLLAND.—Yes. Then the leader of the Opposition spoke about sick-pay on holiday, and stated we had just corrected the provisions at the start of the session. But in all the years of Labour's rule the provisions remained unaltered.

The Right Hon. Mr. NASH.—I did not say you had altered it.

The Right Hon. Mr. HOLLAND.—I might have confused two things, but what the honourable gentleman said was that under this Government they could not get sick-pay, and what I am saying is that we are following exactly the rule of his own Government—so why complain to us? Then came what I thought was the gem of the evening. The honourable gentleman said that any one of these things warranted the no-confidence motion that he had moved! We copy precisely the actions of his own Government, and he says that is a justification for a no-confidence motion! I have seen some things in my time, but that is about the best yet. Then he went on to speak about the shipowners. If I have the time I shall be happy to read the relevant parts of the correspondence between myself and the shipowners so that the House and the country can have an understanding of what has transpired. The reply of the shipping companies runs to three full pages of foolscap, and I would not have time to read the whole of it, and if I do not find time to read the relevant parts I will have them published in the newspapers. That is my answer to the leader of the Opposition.

An Address-in-Reply debate is a very interesting and important occasion in that it enables the House, quite properly, to make a review of the Government's administration. And that is very welcome to us. It is good for a Government to have its administration examined by an Opposition, and we welcome the opportunity of giving an account of our stewardship. We have been through perhaps the most devastating industrial crisis—and are still involved in it—that this country has ever experienced. I believe that this year New Zealand, industrially, has been at the cross-roads. Very big issues are involved in the present dispute. The big issue is whether industrial democracy is to survive or whether it is to perish and anarchy take its place; whether industry and industrial relations are to be controlled by force or by law. Eighteen months ago there was a change of Government, and I believe that nothing contributed to that change more than the fact that the people were heartily sick and tired of the constant surrender, capitulation, and appeasement of the old Government to those who challenged its authority and who had the industrial power to do so by threats and intimidation. The new Government was pledged to preserve lawful methods and to accept any challenge that was made to it. We came into power determined and pledged to put an end to this cancer in our industrial system which threatened to wreck us.

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I shall confine this part of my address tonight to two headings. The first is, are the laws to be observed and enforced, or are they to be replaced by force? In the second part of my address I want to give some account of the Government's administration of this very important and vital matter. There is one other matter. This is not a dispute between an employer and an employee; it is not a dispute between employers and employees. This involves the whole nation. None has escaped some effect and some cost of this cruel strike. People have suffered, but they have suffered in great cheerfulness in the hope that the principle involved will emerge successfully and that this dispute will be followed by a long period of industrial peace and happiness among men. I welcome the opportunity that this debate gives me of reviewing the Government's administration. But we are not the only ones who have our administration under review. At a time of grave national peril every citizen has a responsibility as such to pull his weight in the boat, and, whoever he may be, to help to bring about a better state of affairs.

A great responsibility also rests upon His Majesty's Opposition. I propose to address myself to some of its responsibilities and shortcomings in that direction. When action in the early stages of the strike would have been helpful, His Majesty's Opposition was significantly silent; the leader of the Opposition had not a word to say. By its silence in those critical weeks the Opposition encouraged the law-breakers to think and hope and believe that help and succour would come to them, and that they would be supported by some great influence such as a political party. I believe that that prolonged the strike. Then, when the tide began to turn, after we had passed through those early difficult weeks and when things began to straighten out and silence would have been golden, the leader of the Opposition and some of his friends joined in the attack upon the Government. When we were struggling—and the country will never know the struggles with which we were beset—to keep essential supplies going to our hospitals, to our homes, and to our people, when people were going without bread, meat, and flour, when we could not bring the flour which we had in the South Island to the North Island, when unity was invaluable, the leader of the Opposition and his friends did not raise the tips of their little fingers to help their country at that time when their help would have been most valuable. I believe it was their duty to help.

When the great industrial movement of New Zealand urged a resumption of work and the men were almost on the point of going back, when it needed only a little help for them to make the big decision to break away from the enemies who were strangling and throttling them, then was the opportunity for the leader of the Opposition and his friends to say, "We will rise above party differences; we will put the welfare of our country first, and will join with whoever will help to preserve law and order and ensure that the rule of law does prevail and endure." That wonderful opportunity was lost. When he found that hundreds of thousands of cases of our best fruit were

being buried in the ground—and what a crime and what a sin that was—did one word of protest escape the lips of the leader of the Opposition or any of his friends? There was not even an appeal to the men at least to have some sense and not allow foodstuffs to be buried. We have heard of the crime of coffee being buried in Brazil and other countries, and here, in this lovely land of ours and in our time, half a million cases of fruit were buried. What a sin before Heaven that was! Did the leader of the Opposition make any appeal not to let that fruit be buried? When our hospitals were threatened with a shortage of gas and all that that implied, did the right honourable gentleman or any of his friends raise their voices to plead with the men to put their case before some one and get it settled? Not a bit of it. They were quite prepared to see our hospitals go without gas and coal.

The Hon. Mr. SKINNER.—Quite incorrect.

The Right Hon. Mr. HOLLAND.—I shall have something to say to the deputy leader of the Opposition in a moment. I confess that as a Government we were worried stiff over the sabotage, the bashings, the intimidation and threats to the security of our country and of our person. When we found that the police could not deal with the situation we called for volunteers to help protect the workers and the strikers alike, as well as the community in general. Then was the time when the leader of the Opposition raised his voice. What did he say? He said that such an organization is not necessary. I wonder how the right honourable gentleman feels now when those things are drawn to his attention. I wonder how he feels in face of the great opportunity, the great privilege that was his of helping this country in her hour of need. The right honourable gentleman felt that if he helped the country in its hour of need it might help the Government, so he decided that he would not help the country. I think that that was the determining factor with him. When the Minister of Labour issued cards to the workers and invited them to re-register and go back to work, and when the de-registered union told the men not to send the cards to the Minister, but to send them to the union offices, what did the leader of the Opposition say? Not a word. When the seven-point programme was announced, did the right honourable gentleman join with industrial labour in supporting that programme, and say, "You men, get back to work; what the Government offers is fair and just, as industrial labour has said"? There was his opportunity to play his part, instead of attacking the Government, which was doing its best to save the country from disaster.

Listen to this: when we got some ships loaded with meat for the people of Britain—I call them the brave people of Britain—and when our watersiders here cabled to Britain to see whether they could not get the watersiders in Britain to refuse to unload that meat, where was the right honourable gentleman? He was silent. He had not as much as one word to say, but to the everlasting credit of the leaders of our industrial movement, the

Federation of Labour, they pleaded with the watersiders of England to do the work, and their plea was successful—no thanks to the leader of the Opposition. He had the opportunity—I go further and say that he had a plain and simple duty—to raise his voice in urging that the meat produced here, and loaded by our servicemen into ships, should be made available to the people of Britain. He did not say a word in support of its being unloaded. This "neither for nor against" attitude on the part of the leader of the Opposition has prevailed throughout the strike, and I consider that he must submit to an examination of his attitude just as my colleagues and I must submit. I can say that if I were on the other side of the House and had this charge levelled at me I would not feel very proud of my conduct over the strike.

Before the strike began, much thought had been given to waterside matters. We knew, as every citizen knew, that there had to be a show-down. We knew that the position could not continue as it was. May I pause to pay a tribute to four men whom I esteem greatly. I wish I were capable of saying what I feel about my friend, the Minister of Labour. The country will never know what it owes to him. I am closer to him than most people, and I know what he has done. My heart is full of gratitude that I have such a friend and that the country has such a Minister dealing with this very difficult task, following fourteen years of building up a practice that made it very difficult for any Minister to cope with the situation. I say to my friend and colleague, very inadequately, "Well done; you have done a wonderful job for your country, and your country is grateful to you for it."

Could I say also that we have a very fine body of public servants in this country, and the more I see of them the better I like them, but there are three in particular who have come out of this trouble with honours thick upon them. Two of them are twin brothers, the Messrs. Bockett. I heard the greatest compliment paid to them, in a jocular way, that I have ever heard paid to any one. Some one said, "You are twins? Well, it is a pity your mother could not have had triplets when she could produce two like you." I thought that a wonderful compliment. These two men have made an amazing contribution to the management of this trouble, and I, as head of the Government, express my gratitude to them. The same applies to Mr. Benny, permanent head of the Mines Department. I pay the same tribute to him. If my words reach them, I hope these public servants will feel that their efforts have not been in vain. Nothing we can do by way of pay or otherwise can be sufficient recognition to them for what they have done. I should also like to thank most sincerely the emergency committees which have kept services and supplies going for the people in this very difficult time.

The Minister of Labour and I had often discussed the conduct of strikes before this strike began. We had many exchanges of opinion to see if we could not introduce

something new in the management of strikes when the time came. [*Time extended.*] We sat down to study just how we would handle a strike. When this trouble occurred, honourable members will recollect that we allowed a fortnight as a cooling-off period, to find out whether people would see sense. That was unsuccessful, so we had to start to manage the strike. The Minister of Labour and all my colleagues adopted the principle of collective responsibility. The previous Government did the same. This means that each of us is equally responsible. There is great wisdom in the fifteen or sixteen men and the Hon. Mrs. Ross, who attends all our meetings and has a good understanding of all our problems. First we decided that we could not follow the old course adopted by the previous Government—that is, to battle away having conferences, appointing chairmen, abiding by the results, and giving way a little bit each time. There we have peace at a price.

Another course was to surrender to them, to give in, but those times have gone, and we reached the conclusion that we should drop the idea of any such procedure. Members know the old adage, "For he that fights and runs away may live to fight another day." We made up our minds that we were not going to do that. Nor were we going to adopt the 1913 tactics—the swearing-in of a lot of special constables, giving them batons, and having free labour. We adopted neither of those courses. We adopted an entirely new course in the management of strikes, and where I have been in other parts of the world people have complimented us and have said that something new has emerged from our control of a strike. We are happy to think that we have perhaps given a lead to other countries in the intelligent management of strikes. We adopted new methods. We used no "specials," and we have not used any batons, except in the case of the police, to protect themselves, in self-defence. We have employed other methods, and the test is this: Have those methods worked? I say they have worked, and I think they will provide the pattern for the management of such troubles in the future.

Let me list some of our achievements so that the public and the House will know the kind of problem with which we have had to deal. First, the watersiders would not unload the cargo. Usually that has held up trade, industry and shipping. We got the cargo off the ships. Then they would not load food for Britain. All right, we got the food loaded for Britain. When I say "we," I mean that we were responsible for the organization that other people put into operation. We loaded food for Britain, and I am able to say now that during the course of this trouble I had very urgent personal messages from the highest level appealing to me personally to use all the influence I had to see if I could get 30,000 tons of meat to Britain before the middle of May. Honourable members will remember the difficulties that were being experienced in Britain in getting meat from the Argentine. While I was in Britain people had their ration reduced

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to 8d. worth of meat a week. Think of that! Britain said, "Can you not let us have 30,000 tons of meat to ensure that the ration is not cut even shorter?" A month later I had another urgent message asking for a further 20,000 tons of meat, so I went to my colleagues and said, "What are we to do?" I am happy to say now that that 50,000 tons of meat arrived in Britain on due date—not a day behind. The thanks of Britain and of New Zealand are due to the people who worked to make that possible, but there has never been a word of appreciation, not a word, from the Opposition.

When we unloaded cargo here the carriers would not take the goods off the wharves, but we did get it off, thanks to private enterprise—the owner-drivers, and the more we have of them the better I like it. The servicemen came in there, too. Then the freezing people refused to load the meat on to the railway-wagons, so we put the servicemen in and soon found some one who could load meat. When the freezing-workers walked out, we found some one who could do the job. Then when the meat was loaded into the railway-wagons the railway men would not handle it, so we put the meat into Army lorries and got it away, and that is the important thing. These are a few of the problems we had. I remember the "Matua," the fruit ship, arriving in Auckland with twenty thousand cases of bananas to be distributed over the North Island. We wanted two and a half special trains to carry them and we asked the railway men and they refused to do it. I do not remember the leader of the Opposition asking them to do it and saying, "It is your duty to carry this fruit." Well, they refused, but, nevertheless, we got every case away. We did not lose a case that I am aware of, and the people of New Zealand are grateful for what was done.

The freezing-workers in Wellington went out, and we promptly deregistered them, and we did not re-register them next day, either. We talked to the men, and we talked to them of their problems. That is the way to get on with the working-people. There was a great number of people involved. We went to the men and we said, "This is no good to you—one big union, one big Wellington union." We deregistered them and then registered thirteen new freezing-workers unions, and they are working, most of them happily. They are self-contained unions to-day. Is not that a better situation? Can any one say it is better to have one big union on strike than thirteen separate unions all at work? Then our great trial came when the coal-miners stopped, because it is said that men who are not miners cannot be sent down into the bowels of the earth. We still got coal, nevertheless. That is not a bad performance for a young Government, inexperienced in handling these things. We could have been forgiven if we made some mistakes. I do not think we did, quite frankly, but we might do better next time. It is an amazing record that we overcame every disability—every one.

It is true to say that practically no one in New Zealand has really gone very short of anything. Certainly, we are short of sugar and this, that, and the other thing, and we are having a very cold winter. My poor Christchurch is having a very cold one. Then, when the railway-line broke down, what a tribute we should pay to the railway men in the Hon. Mr. Goosman's Department who went out in the middle of the night and got that railway going again. Then the Department of Works had a generator out of order and we were told it would take seven months to repair it, but it was ready again in a fortnight as the result of men working day and night without a stop. I am lost in admiration for the men who went out and helped our country. Other people could have helped by a word of encouragement, but they saw a political advantage in taking another course. So we got a lot of coal. We opened up a lot of opencast coal-mines.

Then the seamen came out. Now, obviously we could not take the ships to sea! I am sure that honourable members opposite pitied us, and said, "They have got you now. That is the end of it. They cannot handle this now the seamen are on strike." Well, we got the ships to sea. It has never been done before. We had the help of the servicemen. God bless our New Zealand servicemen. They went on to the wharves. They do not want too much praise. They regard the job that they have been doing as their duty, and I admire them for it. Bless those servicemen; they saved their country in a time of "cold war," in a time of what our people call peace. Our servicemen came to the rescue. They never questioned what they were asked to do, but regarded it as their plain duty and did it. In twenty weeks we have had more headaches than most people get in a lifetime. We have had on our hands a widespread strike. We have had unprecedented problems, almost insurmountable hurdles to get over. We inherited fourteen years of muddle, appeasement, giving away, and capitulation.

The Hon. Mr. DODGE.—Twenty-six strikes on the waterfront.

The Right Hon. Mr. HOLLAND.—Yes. We have been challenged by the militant, by the enemy in our midst. We have taken the "Reds" on, and yet our reward for what we have done is a no-confidence motion. The main complaint the Opposition has is that we took some extreme powers that we did not use. We made up our minds on three things. Let me see whether we are wrong. We made up our minds to register new unions. We were not going back to the old conditions for anybody on earth. We made that decision and announced it, and we stand by it. Then, secondly, we made this decision, too—that there would be no betrayal of the men who joined the new unions. We are not going to let those men who came to our rescue and to the rescue of the land to be betrayed. The Government has not betrayed and will not betray them. Then, thirdly, we decided that we would have no truck with the men who for years had made a mockery of honourable agreements. People will now understand when

they talk with us that we are a Government that believes in honouring agreements, and are not going to have any truck with people who make a mockery of the undertakings they enter into. When we came into office the people hoped that the Government would stand firm and not be pushed around, and I am happy to say that we have a new spirit on the waterfront. We are getting results from our experiments. They are not all perfect. We will talk the matters over with the men.

The other day I had the stimulating experience of meeting the representatives of twenty-one new waterside workers' unions, and the representatives of the men promised that they would try to work out a system under which they would be happy, and the country would be better off, and the Government satisfied. What is wrong with that? I promised those men that this Government would do everything in its power to provide the machinery that would result in harmony in the industry. I here admire the courage of the men who broke down the barriers that stood between them and the work they were prepared to take. One decision we made was that if a man did not want to work he would not have to; but we certainly made up our minds, and made this very clear—and it stands, too—that if a man did not want to work he would not be able to prevent anybody else from working. That is what I said in opposition, and I say it now that I am a member of the Government.

I think the people of New Zealand during this time of trial and difficulty have been wonderful. We have taken a stand, notwithstanding the threats to our very lives; threats to the lives of our families. My family has had to listen to telephone threats that would disgust any decent man. They have threatened to destroy our private property. We have stood firm and said that we would not be pushed about. We have said that we would not yield to these threats. It has been "tough going," but some of the best things we enjoy in the world are those that we have had to fight hardest for, and if we can replace the tyranny that we inherited on taking office with a spirit of sound common-sense in the settlement of our industrial problems, and if the rule of law prevails, as it will so long as this Government is in office, come what may, we shall have left something to mark the time during which we occupied these Treasury benches. I have said something about ships.

May I pause here to pay my respectful tribute to the Navy men of New Zealand. If any one had said six months ago "If the seamen go out on strike you are gone," I would have been inclined to believe that. I would have hoped for something else, and perhaps I would not have admitted that, but in my innermost thoughts it would have been a case of "Bad luck, but hope for the best." We stood our ground, and the wisdom of standing our ground has been proved by the fact that notwithstanding that these men are on strike we have had a ship or two at sea. When I say "a ship or two at sea" it would have been remarkable if we had had half a dozen at sea, but before I left my room to come into this Chamber to-night I

made inquiries as to the number of ships at sea. Do honourable members know how many ships are at sea to-night or are in ports preparing to go to sea—not the ones with regular crews? The number is not four or five, twenty, thirty or forty. We have fifty-one ships around our coasts, apart from the overseas ships, seventeen of which are manned by Navy crews. These Navy boys are magnificent. What this country owes to them! Let me say that thirty-four other ships are manned by officers and engineers. Do not forget the engineers. Apparently they are not called officers.

Mr. CONNOLLY.—Engineer-officers.

The Right Hon. Mr. HOLLAND.—They are shown here as engineers but I bow to the superior knowledge of my friend from Dunedin Central who is an ex-naval man himself. He would have enjoyed the experience, I am sure.

Mr. CONNOLLY.—Too old.

The Right Hon. Mr. HOLLAND.—Could I get this confession from him—would the heart be willing if he were not too old? I am sure that the honourable gentleman, who had a very distinguished record in the war, would have enjoyed the experience when officer-engineers manned the ships and when they found a member of the strikers among the crew suddenly got the urge to go ashore to see a union secretary. An officer who had a master's ticket and who happened to be on the gangway that night asked this striker what he wanted to go ashore for, and the reply was that he wanted to see So-and-so "who is secretary of our union." The man on the gangway who was a master mariner thought that it would be a good idea to have a meeting of the union of officers and engineers to adopt a resolution that they were not going to sail that night with that person on board. I am sure the honourable gentleman would have enjoyed the experience if he had been on the gangway that night and had seen that man walk down the wharf. We have seventeen ships with Navy crews and thirty-four with officer-engineer crews.

We have done all these things. That is not what we are going to do. We have done them and yet we now have this no-confidence motion. What does it mean? It means that these things should not have been done—that the Opposition would not have moved a motion of want of confidence if it had been right; it means that we should not have taken on the "Reds"—that we should have appeased and back-pedalled; it means we should have given way and given in. Had we failed we would have deserved the contempt of all decent people. Had we failed in this great task, that would have been the end of lawful processes. I feel we have at least earned the respect, and we ask no more, of the people we represent, regardless of party politics. I listened to the no-confidence motion to-night and I listened to the mover, the leader of the Opposition, deliver his speech, and I think I could say without wishing to be unkind that I have never in my experience—and I do not think it has happened before in political history—heard a motion moved with such weak and

*Right Hon. Mr. Holland*

unconvincing arguments. Never has a no-confidence motion been moved in less auspicious circumstances. What he ought to be doing and should be doing is to move a motion of congratulations to the Government, but he must have been looking up a book and found that it is usual to move a no-confidence motion. He had to round it off as a new leader and do what other leaders do. His attitude is that he is neither on one side nor the other. He has split his party asunder. They know that they have divided themselves. There is a clear line between the industrial organization—the Federation of Labour—

The Hon. Mr. F. JONES.—Wishful thinking.

The Right Hon. Mr. HOLLAND.—It is not wishful thinking; it is a simple fact. He has split his party asunder. He has tacitly, if not intentionally and actively, supported the "Reds." That is what he has done. He cannot get out of that. By giving them encouragement, he was on their side. After all is said and done, if he has not been on their side, he said he would not get on our side and nobody would make him. He must be on the other side. He has some dispensation because he is on neither side. You know, when the history of this strike is written there is going to be a big question on the last page of the first chapter. It will say, "What did you do in the big strike?" The answer will be, "I was neither for nor against." I saw a cartoon of somebody walking in the middle door because he was neither for nor against anything. What surprised me in this trouble we have been through is the number of enemies there are inside our gate. Another thing that surprised me is the influence they exert among men and the ease with which New Zealanders are dominated by outsiders. Mr. Speaker, it surprised me to find the unwillingness or inability of New Zealanders to stand on their own feet and do their own thinking and do their own saying.

The Hon. Mr. DOIDGE.—Some.

The Right Hon. Mr. HOLLAND.—A great many New Zealanders. In my view men have been led to this disaster against their better judgment and their will. They dare not stand up. They have come to my house in the middle of the night so they will not be seen in the daytime. One man wrote and said, "I hope you will see this thing through." He could not admit that he had written because he would have to sell his house and get out of the port. Another man said, "I hope you will stick to your guns. I belong to a gang that goes down at six o'clock every night and signs on. We draw a card as to who will go home because there is not room for six of us below, only for five." Another man said, "It destroys a man's soul to be a party to a vicious system of drawing money for no work." One of the conditions we laid down was that spelling—that is, unauthorized receipt of money for doing no work—has to stop. This grew up under the Administration that preceded us in which men drew pay for two hours and worked one. They worked one hour and they took an hour off. What they did in that hour is not my business at the moment. They were

paid for two. Can any one say we have been wrong? When we put this right we get a no-confidence motion. Therefore, if my reasoning is right, it means that these things we have been doing are wrong. I am very much concerned over the Communist aspect of this trouble, and yet we find our friends of the Labour party opposite will gladly admit Communists into membership of their party.

The Hon. Mr. F. JONES.—Not true.

The Right Hon. Mr. HOLLAND.—They are glad to have the affiliation of these men. I think I am right in saying that at the Labour party's annual conference they refused to carry a resolution keeping the Communists outside.

Mr. McCOMBS.—Because they were dealt with in another way.

The Right Hon. Mr. HOLLAND.—All I can say is this: that I am quite prepared to be judged by the company I keep. I will say no more about it than that. One of the great dangers is that in this "cold war" we are fighting people who are highly trained in subversion, treachery, and sabotage, and who have the ability to gain the support and sympathy of well-meaning people who really do not know the trap and the snare into which they are being drawn. I heard something read from a Church journal to-night. In my view it would be far better if some of the Churches kept out of these things.

Hon. MEMBERS.—Oh!

The Right Hon. Mr. HOLLAND.—I am entitled to my view, and I would say that the Communists will use the Churches and draw them into their net in order to establish a churchless State. That is what we have to be careful of. Notwithstanding the improvement that has come about I do not think for a moment that we are at the end of strikes, but I do believe we have made much progress towards arriving at a system under which reason and common-sense, conciliation and arbitration, will prevail.

Mr. COMBS.—How do you work that out?

The Right Hon. Mr. HOLLAND.—I am working it out on our present experience of not giving way and of getting new unions working which have promised to abide by decisions and which, I believe, will honour their pledges. I think we have made a greater contribution to industrial progress in the last six months than the honourable gentleman and his friends made in fourteen years. We set out to preserve law and order, to maintain the honour of Government, and to save a system we call conciliation and arbitration; to put an end to dishonour, appeasement, and capitulation, and to put an end to this idea that peace can be bought at any price. There is sometimes too great a price to pay. There is one vital difference between us, and that is that this Government took the view, and expressed it quite strongly, that there would be no betrayal of any man who came to help us by joining a new union. We would not at any stage allow him to be victimized. We were determined that decent people could go and

apply for membership, and, if they were admitted, be well paid for decent work. We have done that, and we are not going to let those men down. It is bad luck for a lot of decent watersiders who have lost their employment. They would not have lost it had they taken my advice and stood on their own feet and made the decisions for themselves.

It is my view, and the view of my colleagues, that this is part of the "cold war." It has been prompted and promoted and supported by the worst enemies this country can have—the enemies that would overthrow responsible and elected government. And now they have the support of the parliamentary Labour party. To lose the "cold war" here at home would be a betrayal of our men fighting the "hot war" in Korea. I know it will be questioned whether the Communists are behind this. The leader of the Opposition said, as reported in the *Standard* of the 16th May, that he did not think there was any shadow of Communism behind the present dispute.

The Right Hon. Mr. NASH.—That is not correct.

The Right Hon. Mr. HOLLAND.—This is out of the *Standard*.

The Right Hon. Mr. NASH.—You should read a bit more. I said the Communists would use it.

The Right Hon. Mr. HOLLAND.—I am just going to read that. He said, "This is not a Communist conspiracy, but I do think they will take advantage of it."

The Right Hon. Mr. NASH.—The Prime Minister said the same thing.

The Right Hon. Mr. HOLLAND.—I am not going to be put off, although I do not believe the right honourable gentleman is trying to put me off. He did not know I was going to read that next piece. I recall what I said a while ago about Communists being admitted to the Labour party. I have here an interesting paper on which I want to spend a few minutes. It is an old paper called, "Strike, Strategy, and Tactics," and is a thesis adopted by the Strassbourg Conference held under the auspices of the Red International of Labour Unions—price 3d. It was published, I think, in 1915, by the Communist party of New Zealand, Vivian Street, Wellington. Here is the pamphlet. I am sure every one here and those listening will be interested in the extracts that I shall read. They will show how closely the rules that were laid down by the International Communists of the Red Workers have been followed in this strike. We shall have no difficulty in following that, I am sure. On page 4 it says:—

"It is incumbent on the strike committee to carry on with all the means at its disposal the struggle for the realization of the workers' demands. The success of the struggle will depend on the measure of the strike committee's success in eliminating the influence of the reformist trade-union apparatus and wresting from it the leadership of the strike."

See how that fits in. Then it goes on, "Secondly, demand the resignation of reactionary trade-union bureaucrats, collect money and help all the strikers, as well as systematically undermine the confidence of the workers, especially the Social Democrats and Christian workers"—hear that—"in the reformist and Christian trade-unions apparatus." Then on page 5 it says, "At all the sessions of the strike committee they must criticize indecision and wobbling and must expose the machinations of reformist and Christian spokesmen." On page 7 it says, "The strike pickets must be carefully selected; they must not only consist of young workers, but also of older working-men and women and especially of working-men's wives." Here is a good one. "To organize special demonstrations of working-men's wives and children against blacklegs and against the Police Force called out to protect them." How do you like that? This is how to run a strike. Does that sound like Auckland or Wellington or anywhere else?

The Hon. Mr. WEBB.—It sounds very familiar.

The Right Hon. Mr. HOLLAND.—Yes, it sounds very familiar. Then on page 9 we read, "A very effective weapon is to secure the assistance of the land and sea transport service"—that seems to fit in remarkably well with what has been happening here in the last twenty weeks—"also that of the enterprises of common utility such as electric-power stations and gasworks, etc." Is it not all perfectly clear? On page 10 it says—and just listen to this: "During the conflict the struggle against compulsory unionism is to be increased tenfold." Here it all is, set out in black and white. Then, on page 12, we read, "In these countries information and liaison is of particular importance and"—just listen to this—"this requires an illegal apparatus." Now we know where the underground literature comes from. Then it says, "The main thing in these countries is to insist in every strike on open action, and to take advantage during the strike of every opportunity for emerging from the underground hiding places." And here, on the last page, is the last one, which sums it all up, "The Red International of Labour Unions and the Comintern must be systematically informed about all the details of the struggles."

Mr. ANDERTON.—What is the date of that pamphlet?

The Right Hon. Mr. HOLLAND.—About 1915, I think.

The Right Hon. Mr. NASH.—There was no Comintern thought of then.

The Right Hon. Mr. HOLLAND.—If the leader of the Opposition says that, he probably knows more about it than I do, because about that time he was very mixed up with Communist literature.

The Right Hon. Mr. NASH.—What a nonsensical person you are.

The Right Hon. Mr. HOLLAND.—I hold the pamphlet in my hand.

The Right Hon. Mr. NASH.—You will find no mention of a Comintern in the pamphlet. There was no such thing as a Comintern in 1915

The Right Hon. Mr. HOLLAND.—I have read faithfully from the pamphlet. I was asked the date of the pamphlet. I said I did not know, but I thought it was 1915. I may be in error. However, it does not matter what year it was printed. The fact remains that I have the document in my hand. May I proceed to one other aspect? The leader of the Opposition said a little while ago that the strike could have been settled on various dates. One of these dates was the 19th April.

Mr. R. MACDONALD.—The 8th March.

The Right Hon. Mr. HOLLAND.—I am taking the 19th April. I observe that the leader of the Opposition accepts it. He stated that the strike could have been settled then. I think he is in error, and I want to show him from my own correspondence where he is in error.

The Right Hon. Mr. NASH.—The Prime Minister said so.

The Right Hon. Mr. HOLLAND.—I never said so.

The Right Hon. Mr. NASH.—In the broadcast.

The Right Hon. Mr. HOLLAND.—Permit me, I did not say that at all.

The Right Hon. Mr. NASH.—It was reported in the newspapers.

The Right Hon. Mr. HOLLAND.—No.

Mr. HUDSON.—I have it here.

The Right Hon. Mr. HOLLAND.—The honourable gentleman has not got it, because I did not say that. The acceptance of the Government's seven points was always contingent on some conditions, and it is important to bear that in mind. Let me show the leader of the Opposition how he is misinformed and how, as a result of his being misinformed, he has misled the people by stating that the strike could have been settled. By the 19th April twenty-three new unions had been registered.

The Hon. Mr. NORDMEYER.—March or April?

The Right Hon. Mr. HOLLAND.—I said the 19th April. Those new unions were six waterside unions, two drivers' unions, one cement-workers union, and fourteen freezing-workers unions. Acceptance of the seven points was set out in the Waterside Workers' Union's letter to the leader of the Opposition dated the 16th April and again on the 18th April. The leader of the Opposition agrees so far. The letter of the 18th April, signed by the four leaders of the watersiders, had this to say, "It will be appreciated that the union is not departing from all other matters raised in our letter to you"—that is, to the leader of the Opposition—"of the 16th instant." The leader of the Opposition accepts that. I turn therefore to the letter of the 16th to find what they said in discussing our seven points. I want to discuss three of them. Regarding point No. 4, relating to the secret ballot, the letter says, "could be raised when workers have a legal right to strike." Can any one say that that is acceptance of the principle of a secret ballot? Let me repeat that in that letter which they sent to the leader of the

Opposition, discussing the secret ballot, they said, "This could be raised when workers have a legal right to strike."

Then on point No. 5 where we raised the question of an open union, the letter had this to say. "We have no objection to open unions provided an adequate guarantee of wages is given to the complete membership of the union." That is not acceptance of our proposition, for it never existed in the old unions. On the last page, page 3, they said in their letter to the leader of the Opposition, "The proposal to abolish the National Union of Watersiders"—and that was implicit in our policy—"and replace it with local unions is totally unacceptable to our Union, and we would therefore require re-registration of our National Union as a condition to any settlement." Let me read that again. On page 3 of their letter they say, "The proposal to abolish the National Union of Watersiders and replace it with local unions is totally unacceptable to our Union, and we would therefore require re-registration of our National Union as a condition to any settlement." That has always been a condition—that we must re-register the big union, the national union—and we have always been opposed to it; we are not going to have it any more.

The Hon. Mr. SKINNER.—Why did not the Prime Minister say that in his broadcast?

The Right Hon. Mr. HOLLAND.—I got this letter only half an hour before I went on the air.

The Hon. Mr. SKINNER.—But—

The Right Hon. Mr. HOLLAND.—If the members opposite will just allow me. I know the member for Buller is an expert at getting in interjections, although no one complains more than he does when he gets them. Perhaps he would not mind if I had my turn. I am placing on record something that is very important. This letter says they condition their acceptance of the seven points by a requirement that the old union be re-registered. That was entirely unacceptable to the Government. There is another paragraph or two which I should also like to read. I think that the leader of the Opposition could not have seen this. The letter stated, "We suggest that when a settlement is reached other deregistered unions involved should be re-registered." Does the right honourable gentleman remember seeing that? It is there in the letter.

The Right Hon. Mr. NASH.—Why not say that you, after receiving the letter, said you were quite prepared to have discussions with responsible and acceptable representatives of the watersiders.

The Right Hon. Mr. HOLLAND.—I said I would, and I have met them.

The Right Hon. Mr. NASH.—Ugh!

The Right Hon. Mr. HOLLAND.—The right honourable gentleman cannot get away with it by just saying "Ugh!" I have met them, and so has the Minister of Labour. Now there is this other paragraph. The leader of the Opposition was prepared to accept that basis of settlement. Let him deny it.

The Right Hon. Mr. NASH.—No, I passed that on to you in accord with our agreement.

The Right Hon. Mr. HOLLAND.—The right honourable gentleman was the advocate that recommended settlement. The right honourable gentleman has to concede here that he has not been thorough in the preparation of his case. The acceptance of that letter and the principles contained in it involved the deregistration of twenty-three unions of volunteers who went into our freezing-works, cement-works, abattoirs, and six waterside unions, and did the work. It meant a complete betrayal of them, throwing them to the wolves, and putting all these men back. That is what the right honourable gentleman said in his letter—that he wanted to see all the workers re-engaged and re-employed in their various industries.

The Right Hon. Mr. NASH.—The Prime Minister knows that is not correct.

The Right Hon. Mr. HOLLAND.—On the contrary, let me throw that back at the right honourable gentleman. I know it is perfectly correct, because I am quoting from his own letter.

The Right Hon. Mr. NASH.—No.

The Right Hon. Mr. HOLLAND.—Well, I just cannot do anything with people who say things like that.

The Right Hon. Mr. NASH.—But I have never written a letter like that.

The Right Hon. Mr. HOLLAND.—Will I read the letter from the four watersiders? Will that help?

The Right Hon. Mr. NASH.—That is not my letter. I think the Prime Minister will agree that I agreed he could not let down anybody to whom he had given his word.

The Right Hon. Mr. HOLLAND.—Will the right honourable gentleman agree that this letter I am holding up is his letter?

The Right Hon. Mr. NASH.—I cannot say.

The Right Hon. Mr. HOLLAND.—Well, is this not the right honourable gentleman's signature. It is dated the 19th April, and reads:—

"Office of the Leader of the Opposition,  
House of Representatives,  
Wellington, 19th April, 1951.

"Dear Mr. Holland,—The origins of my request for an interview on Tuesday morning last the 17th instant, were discussions which had taken place with representatives of the Waterside Workers and others, and a letter to me from the Union under date of the 16th instant.

"The purpose of the discussions was to find a formula upon which work on the Waterfront could be resumed.

"Subsequent to the discussions, the Union wrote to me on the 16th instant, and set out the views of its members as to the steps which could be reasonably taken to reach the agreement desired.

"During our conversation I was able to assure you that the Union would agree that wages should be determined in conciliation proceedings between representatives of the Shipowners and the Waterside Workers' Union, and that failing agreement in conciliation the Union would agree to accept the decision of an independent Chairman.

"During the discussions the Union also advised me that they had notified the Government of their willingness to accept six of the seven points laid down by the Government, and that subject to an adequate guaranteed wage being paid to all its members"—

Will you agree with it now? That is the thing that was denied.

The Right Hon. Mr. NASH.—No, you cannot get away with it.

The Right Hon. Mr. HOLLAND.—Then I will read on. The letter goes on to say—"agreement could be reached on the remaining point which dealt with the question of an open Union.

"Towards the end of our conversation you stated that the basis of any settlement must be the public acceptance of the seven points programme of the Government, and conciliation and arbitration to determine wage rates.

"My reply was that conciliation and arbitration to determine wage rates had been accepted, and that I believed that agreement could be reached on the question of the acceptance of the seven points as a basis for a settlement.

"Just prior to my leaving your room the subject of the National Union and separate Port Unions was mentioned, and you stated that the Government's policy was to have separate Unions at all ports, and I expressed doubts as to the practicability or advisability of this course."

Now will you believe it?

The Right Hon. Mr. NASH.—Read every word of it.

The Right Hon. Mr. HOLLAND.—Then I will go on reading it:—

"Yesterday I again approached representatives of the Union and they have accepted the Government conditions regarding Arbitration of Wage rates and the seven points, and have stated that their members are willing to resume normal work, and the discussions on the details and methods to give effect to the principles of the seven point programme to commence immediately.

"With this acceptance I hope that the Government will agree to make the necessary arrangements for work to be resumed and the Emergency Regulations repealed, so that the members of all Unions which are not at present working may resume their normal occupations.

"Copies of the letters from the Union to myself, signed by the negotiating Committee under date of April 16th and April 18th are attached hereto.—Yours faithfully,

"W. NASH."

*Right Hon. Mr. Holland*

We had twenty-three new unions working.

The Right Hon. Mr. NASH.—The Prime Minister knows he could not let the people down who had gone to work.

The Right Hon. Mr. HOLLAND.—I agree that he said that to me, but it is not in the correspondence and has nothing to do with it. I think I have proved my case up to the hilt and all the interjections and howls from the other side of the House do not disprove a single word I said. It has to be said now that that letter is only a letter when the letters of the 16th and 18th are attached to it. There is not a single word I have said that has not been proved up to the hilt. It is true that we did use some regulations. We took the stand that we were going to stop what had been going on for the past few years. When we took up that challenge it was the supreme test of our worthiness to govern this country, and we were determined not to let the people down. The leader of the Opposition went to Hamilton and criticized three of the regulations, and after having done so he is reported as saying that he was not advocating their repeal. [Interruption.]

The Right Hon. Mr. NASH.—I cannot listen to lies.

Mr. SPEAKER.—The right honourable gentleman must withdraw that.

The Right Hon. Mr. NASH.—I will withdraw it, but I wish the Prime Minister would say what I said. I did not say that.

Mr. SPEAKER.—The right honourable member must withdraw it unreservedly.

The Right Hon. Mr. NASH.—I will withdraw it.

The Right Hon. Mr. HOLLAND.—I am just quoting what the newspaper said, and that is what it said. The purpose of the regulations was to stop the spread of the strike, and when people will not play to rules they have to have "tough" treatment. We play within the rules now, and the law has given us those powers. What was the purpose of the regulations?

Mr. MOOHAN.—To help the shipowners.

The Right Hon. Mr. HOLLAND.—No, it was to enable men and women who wanted to go to work to be able to do so without being molested and intimidated by other men. Will any one say that was wrong? It was to allow new unionists to go to work without being intimidated. The purpose of the regulations was to stop incitement. Who will say he disagrees with that? The regulations were to stop inciting the spread of the strike; to stop picketing. Will any one disagree with that? We could not have stopped picketing without the regulations. Who will say that that is wrong? The regulations were designed to enable essential goods and services to go to the people. Is that wrong? They were to prevent demonstrations that might have led to riots. Will some one say that that is wrong? A regulation that has been much criticized gave the police additional powers to protect men, women and children. Does any one disagree with that?

There was a regulation which gave the right to open correspondence. I took the right honourable gentleman to my office and told him why that regulation had been issued. I have here a pamphlet the distribution of which this regulation was designed to stop. Has anybody seen that pamphlet before? It is a leaflet showing a rat. There is a blank space, and then there is shown a nest of young rats, and the pamphlet says, "Don't scab." On the bottom of the leaflet, under the Royal Coat of Arms, it states, "Issued by the New Zealand Department of Health." I will tell the House why we took the right to open people's correspondence. It was because we were not going to allow that sort of thing. The leaflet came into our possession through a parcel being opened. Under the Postal Act there always has been the right to open correspondence so that it could be ascertained whether the right postage had been paid. This parcel was broken open, and the pamphlet was thus found. The pamphlet was stuck on the windows of railway-trains all over Wellington. I showed that to the right honourable gentleman. Everybody opposite knew that that was being published.

Hon. MEMBERS.—No.

The Right Hon. Mr. HOLLAND.—Have honourable members not seen it?

Hon. MEMBERS.—No.

The Right Hon. Mr. HOLLAND.—A great many people saw it, anyhow.

Mr. COMBS.—I had not seen it before.

The Right Hon. Mr. HOLLAND.—Well, here it is; I am showing it to the honourable member now. I wonder whether anybody has seen this other pamphlet I have. This is beneath reading out. Here is a caricature of a very famous man, a great friend of mine, who won the Victoria Cross for valour. This pamphlet has been published by the combined strike committee of the Gear and Ngahauranga branches of the Wellington Freezing Workers' Union. There is the man with the Victoria Cross on one breast, and a medal which says "Scab." That word is on the other side of the Victoria Cross. Now, who is going to say we were going too far when we took power to stop that sort of thing? We wanted assistance to try to prevent things like that happening. I can remember the Right Hon. Peter Fraser saying he would stop that sort of thing, and if the law was not strong enough, or the regulations not sufficient, he would alter them to make them sufficient. Well, we have taken the power, and I think every one will applaud us for what we have done. But what do we get? A no-confidence motion. Well, I would not say we have got that motion for powers we have taken like that. However, that is the sort of thing that has been going on in this country. Could I in my remaining few words say that the representatives of organized labour did rise above party differences. Politically they are very much opposed to us, but there is one thing we have in common, and that is that we both—the Federation of Labour and

the New Zealand National Party—believe in the principles of conciliation and arbitration. That is our policy.

Mr. SIM.—Placing the country first.

The Right Hon. Mr. HOLLAND.—Yes, placing our country first. The Federation of Labour represents 190,000 industrial workers of New Zealand. The federation has during this trouble always tried to get reason to prevail; to have conciliation and arbitration and abide by the result. Who will quarrel with that? On March 9th of this year, as reported in the *Southern Cross*, now no longer in existence, the New Zealand Federation of Labour had this to say: "The present situation has been brought about by the officials of the Waterside Workers' Union who, with astonishing lack of ordinary common-sense, have plunged their members into a major industrial dispute without first consulting their fellow trade-unionists." That was their declaration, but where was the leader of the Opposition—the leader of the political Labour party—when the labour industrialists made that statement? Where was he? He was neither for nor against. On the 22nd March the *New Zealand Herald* had this to say when reporting the views of industrial labour: "All workers are called upon to resume work." Where was the leader of the Opposition, the leader of the political Labour party, which is of course affiliated with the industrial Labour party? He had not one word to say. He was neither for nor against. These were critical moments when industrial peace in New Zealand could have been encouraged if he had added the weight of his representations to that of the industrial movement to get the men back to work, but he did not even try.

On the 27th April the Wellington *Evening Post* in a report on the Federation of Labour conference, said, "It is now the clear duty of waterside workers' officials to recommend all watersiders to resume normal work." Here was the right honourable gentleman's chance, if ever he had a chance, at the annual conference of the Labour party. Those were three opportunities he had of helping to settle the strike; he would not have settled it but he had the opportunity to help, and he did not try. Here was another opportunity the right honourable gentleman had. On the 2nd May the *Standard*, the official organ of the Labour party—it may not be correct but that is where I got it from—published a ten-point resolution which was carried after the delegates had heard the right honourable leader of the Opposition. There were ten points, but I propose to refer to only three of them. The first two points of the resolution of the Federation of Labour were that (1) the trouble was due to the persistent refusal of the Waterside Workers' Union to accept conciliation and arbitration, and (2) that the watersiders linking with the World Federation of Trade Unions brought the union under the direct control of the International Communist Party. That is the affiliation of the leader of the Opposition. In point No. 10 they declared the strike to be a challenge to the State. Surely the

leader of the Opposition was deficient in not backing that up, on the first two counts alone—the persistent refusal to accept conciliation and arbitration, and the fact that they were linked to the World Federation of Trade Unions, affiliated with the Communist party—apart from the declaration of the Federation of Labour that this was a challenge to the State? Here was a great opportunity for the right honourable gentleman to rise above party differences and to give leadership which leaders, Prime Ministers and everybody else, are expected to give. On the 7th May in the *New Zealand Herald* the federation president, Mr. Croskery, urged the watersiders to form new unions and resume work. Why did not the leader of the Opposition at that point do his best and get behind and put his shoulder to the wheel and see if he could not persuade the men to get back to work? The leader of the Opposition lost his great opportunity.

The Government has had an opportunity of giving leadership and of changing the order and bringing about a better state of affairs in industry. I believe it has given to the world some new aspects in the management of industrial trouble. If that comes out of it, the strife and the trouble and all the expense involved will not have been in vain. I am very happy and proud to-night to belong to the Administration and to have the opportunity of standing before my detractors and those who would destroy this Government for party advantage; giving an account of my stewardship, and standing alongside my very good friend of whom I was once proud enough to say that he was worth his weight in gold even although he weighs 16 stone. I thank the House for giving me this extended opportunity of explaining the Government's attitude.

Debate adjourned.

The House adjourned at half past ten o'clock p.m.

## THURSDAY, 5 JULY, 1951

First Readings—Address in Reply: Want of Confidence  
—House Eviction at Napier: Notice of Question—Coal Situation: Ministerial Statement—  
Address in Reply: Want of Confidence

Mr. SPEAKER took the chair at half past two o'clock p.m.

PRAYERS.

### FIRST READINGS

Bank of New South Wales Amendment Bill; Roman Catholic Bishops Empowering Bill.

### ADDRESS IN REPLY: WANT OF CONFIDENCE

The Right Hon. Mr. HOLLAND (Prime Minister).—Sir, last night a little incident arose in which the deputy leader of the

*Right Hon. Mr. Holland*

Opposition, the member for Buller, spoke when he did not need to in seconding an amendment. Technically, I suppose, if the rule were adhered to, he may have disqualified himself, but I wish to say there is no thought whatever that he should pay that penalty for just saying, "I second the amendment." I do not know how to overcome the difficulty, but I am sure it is the feeling of every one in this House that the honourable member should not have to forfeit his right to speak.

The Right Hon. Mr. NASH.—I do not think Mr. Speaker heard him.

Mr. SPEAKER.—I have already advised the deputy leader of the Opposition that I saw him but did not hear him.

### HOUSE EVICTION AT NAPIER: NOTICE OF QUESTION

Mr. ARMSTRONG (Napier).—Sir, following an advice I received a few minutes ago I should like permission to ask a question as an urgent question. But for the information I have just received I would have asked for the question to be answered next sitting day.

The Right Hon. Mr. HOLLAND.—Has the Minister concerned been given notice, or a copy of the question?

Mr. ARMSTRONG.—I have just received a message in regard to the matter, and have had no time to see the Minister.

The Right Hon. Mr. HOLLAND.—How can we answer the question satisfactorily if we have not had notice?

Mr. ARMSTRONG.—I made representations on the matter last week to the Prime Minister, and have made several representations to the Minister in Charge of Housing, dating back some months ago. If the Prime Minister would give me the opportunity to ask this as an urgent question, he will not be disappointed.

Mr. SPEAKER.—Order, I do not think the question can be answered as an urgent question. It should have been handed to the Speaker to decide whether or not the matter was urgent. If the honourable member desires he can give notice to ask the question in the ordinary way, or he can hold it over, and ask it to-morrow morning after he has submitted it in the usual way.

Mr. ARMSTRONG.—If that is the case, and the question cannot be accepted as an urgent question to-day, I shall give notice to ask it in the ordinary way. I believe the Prime Minister will understand the question. I give notice that I shall, on next question day, ask the Prime Minister the following question:—

"Whether urgent action could be taken in the distressing housing need of a constituent of mine whose case I referred to the Prime Minister last week and which I have referred to his Minister in Charge of the State Advances Corporation on several occasions? [Note.—The lady concerned is eighty years of age, and is living with her daughter of fifty-two years of age, and a niece of ten years of age.]"