Mutualism beyond the "Mutual": The Collective Development of a New Zealand Single Industry Town Hospital

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This paper discusses mutualism and its links to labourism. It is argued that rather than being contradictory, mutualism is incorporated into union activities in a range of ways beyond formal mutual and cooperative institutions, dependent on contextual differences in the labour movement. Using the case of mutual union and company involvement in the development of a public hospital in a single industry town in New Zealand during the 1960s and 1970s, we find evidence that the goals of management and the unions converged despite tensions at the site of production, and notions of cooperation for the benefit of workers and the wider community were brought to bear. As the workplace was an essential part of the town, the union's interests were not limited to the workplace, but formed part of the social fabric of the town. Through this case, we see that engaging in mutualistic activities does not always demonstrate a weakening union agenda, but rather a method unions may employ towards improved worker welfare. Additionally, this example reminds us that union members are members of wider communities, families and societies, and that the boundaries between worker welfare in the workplace and those outside the workplace are not always easily drawn.

Mutualism is often problematised in the context of the labour movement, and taken as signalling a passive dilution of labourism. A central tenet of the labour movement is to ensure the collective welfare and well-being of workers, their families and communities. This underpinning assumption of labourism is not necessarily limited to issues of welfare at the site of production, and the achievement of such a goal often requires the collaboration of a number of organisations falling across public, private and NGO sectors. As such, it could be argued that within an agenda of labourism, unions engage in mutualism with a range of external parties, including management. However, national differences in the labour context alter the way in which unions have historically engaged in mutualism. Within the New Zealand context, the arbitration system, established with the passing of the *Industrial Conciliation and Arbitration Act 1894*, constrained the ability of unions to formally engage in activities deemed outside of the workplace.[1] It was only on the passing of the *Industrial Conciliation and Arbitration Amendment Act* in 1964 that unions were able to engage in a wider range of activities,[2] by which time the Keynesian welfare state model largely precluded the need for union involvement in many aspects of social welfare. However, despite the lack of *formal* union involvement in social welfare in New Zealand, unions and their members remained actively involved in wider community activities in less formal ways, as the case presented here illustrates.

This paper explores the involvement of both the site unions and the primary employer, New Zealand Forest Products (NZFP henceforth), in the development of health services in the town of Tokoroa, and specifically in the establishment and subsequent support of the town's hospital. NZFP was the largest private company in New Zealand from incorporation in 1936 and remained so until 1990.[3] The prominence of NZFP in the New Zealand economy during the 1960s and 1970s meant the Kinleith site at Tokoroa was of national economic significance. Reflective of this, on more than

* The authors would like to thank *Labour History*'s two anonymous referees, the editors of this thematic, and the other participants of the associated workshop held at Macquarie University.

1. Michael Barry and Pat Walsh, "State Intervention and Trade Unions in New Zealand," *Labor Studies Journal* 31, no. 4 (2007): 55–78; P. J. Walsh, *Trade Unions, Work and Society: The Centenary of the Arbitration System* (Palmerston North: Dunmore Press, 1994).
2. Herbert Otto Roth, *Trade Unions in New Zealand Past and Present* (Wellington, NZ: Reed Education, 1973).
3. Brian Healy, *A Hundred Million Trees: The Story of New Zealand Forest Products Ltd*. (Auckland, NZ: Hodder & Stoughton, 1982).

one occasion the New Zealand Government intervened to resolve disputes, in the favour of workers.[4] An illustration of the national importance placed on the Kinleith workforce came during the 12-week strike in 1980, when the government repealed a major piece of legislation – the *Remuneration Act 1980* – directly in response to Kinleith worker demands.[5] The importance of this site within the national context provided the unions representing Kinleith workers a great deal of bargaining power. In this paper, we use the case of both union and company involvement in the development and support of a single industry town hospital, to explore the nuanced ways in which mutualism may interplay with labourism, without the presence of formal mutual organisations.

The Oxford Dictionary defines mutualism as "the doctrine that mutual dependence is necessary to social well-being."[6] Jonathon Michie and Chris Rowley describe formalised cooperatives and mutuals as being defined by a degree of ownership or benefit to members.[7] However, Brian Howieson, Roger Sugden and Mike Walsh distinguish between these formal structures, and the concept of mutualism embedded in both, namely a sense of shared ownership and mutual dependence and benefit.[8] This distinction demonstrates that mutualism can be defined broadly as incorporating initiatives which demonstrate a commitment to wider stakeholder and community benefit.[9] The collective ideals thus embedded in mutual initiatives are not inherently at odds with those of the labour movement, although tensions exist. Most commonly, these tensions arise from the perception that a mutualistic stance compromises the traditional labourist tenet of advancing interests at the site of production. Such tensions are particularly heightened when the mutual initiative involves both unions and management.

However, in considering the intention of mutualism, we can see that there are many ways in which this is incorporated into union strategy, beyond the involvement in formal mutual and cooperative structures. The trade union movement itself is born out of a concern for worker welfare within, and beyond, the workplace.[10] Indeed, Roland Zullo highlights that one of the core roles of labour unions is to have an active role in the communities of their members.[11] In an international context, Jane Holgate describes the historic links between trade unions and community, as historically workers lived close to their place of employment, and spatially, a community is conceptualised as spaces of both social and work relations.[12] Holgate further describes that the explicit links between union strategy and community activities has been minimised through tripartite employment relations frameworks, but the underlying binding of union and community at a fundamental level remains strong. Despite this inherent entwining of union and community, studies of union involvement in wider community endeavours are relatively scarce in the labour relations and labour history literature.[13]

Background

The town of Tokoroa was originally developed on company-owned land to support the development of the Kinleith Pulp and Paper Mill, which opened in 1954, and the surrounding forestry industry.[14]

4. *Kinleith '80* (videorecording), compiled with *Wildcat: The Struggle for Democracy in the New Zealand Timberworkers Union* (Wellington, NZ: Vanguard Films, 1996).
5. John Deeks, and Peter John Boxall, *Labour Relations in New Zealand* (Auckland, NZ: Longman Paul, 1989).
6. *The New Zealand Oxford Dictionary* (Melbourne: Oxford University Press, 2005), 744.
7. Jonathon Michie and Chris Rowley, "Mutuality in the Asia Pacific Region," *Asia Pacific Business Review* 20, no. 3 (2014): 506–11.
8. Brian Howieson, Roger Sugden and Mike Walsh, "Mutuality in Scottish Healthcare: Leading for Public Good," *Leadership* 9, no. 2 (2013): 162–79.
9. Michie and Rowley, "Mutuality."
10. Beth Malinowski, Meredith Minkler, and Laura Stock, "Labor Unions: A Public Health Institution," *American Journal of Public Health* 105, no. 2 (2015): 261–71.
11. Roland Zullo, "Labor Unions and Charity," *Industrial and Labor Relations Review* 64, no. 4 (2011): 699–711.
12. Jane Holgate, "Community Organising in the UK: A 'New' Approach for Trade Unions?" *Economic and Industrial Democracy* 36, no. 3 (2015): 431.
13. Zullo, "Labor Unions and Charity."
14. New Zealand Forest Products (NZFP), *Kinleith* (Auckland, NZ: NZFP, 1954).

The initial town development was almost entirely funded by a private company, NZFP, and private benefactors associated with company founder David Henry. Prior to the establishment of the town and Mill by NZFP, there was a very small farming community in the area, with a township consisting only of a small general store and community hall.[15] Other examples of true company towns in New Zealand are scarce, and tended to be associated with workers settlements built to support gold and coalmining activities of the late nineteenth century, often dwindling by the mid-twentieth century. One prominent early example is the coalmining town of Denniston, founded in 1880.[16] Other early single-industry towns, such as the gold mining town of Thames, were similarly centred on an industry, but not directly single-company developed. Tokoroa is an interesting example, therefore, as both a single-company developed town within the New Zealand context, and as the town was founded significantly later than these early examples. The development occurred during the period where governments ran Keynesian influenced budgetary policy, whereby most infrastructure and housing development was funded by government. However, despite the prevailing political agenda of the time, the development of Tokoroa was, in many ways, reminiscent of nineteenth century industrial paternalism. Indeed, the topic of mutual health service development draws parallels to early examples of the development of worker health services in early New Zealand industry towns, prior to the implementation of universal state health services. For example, Denniston miners founded a town medical association in 1883, and a temporary hospital was established in Denniston in 1910, funded mostly by voluntary donations and contributions.[17] However, by the time Tokoroa was gazetted in 1947, private involvement in the development of state medical services was rare.[18]

The involvement of NZFP in the provision of community services was not limited to health services, and the company engaged in many forms of welfarism during the early period of town development. In the period 1950–70, the company established a range of community facilities and support structures, such as the Fire Station and local housing scheme,[19] which at the time would usually have been established by the local or national governments. The company's involvement in community development extended to town infrastructure, such as drainage and water services, at the time amongst the most developed in the country, to service both the anticipated population as well as production growth.[20] NZFP also took an active role in the establishment of worker and community interest groups, funding the formation of sports clubs, community groups and workers' social groups.[21] These groups were formed with the intention of providing a vibrant community which would act to retain key workers, many of whom had migrated to New Zealand specifically to work at the Mill.

The Tokoroa population in the early 1950s consisted predominantly of people employed in the construction of the Mill, particularly specialist workers who had emigrated from Europe under the selected assisted immigration scheme. During the 1960s, Tokoroa was the destination for large numbers of migrants under the first Pacific employment migration scheme. By 1972, the town had double the national average proportion of Pacific peoples, with 20 per cent of the town's population from the Pacific Islands. In particular, there was a significant Cook Island community, numbering approximately 2,000 in 1972. In addition to international migration, the town also experienced high levels of internal migration, with many residents coming from other parts of New Zealand to work at the Mill. However, this was in the main, a transient workforce, with a high turnover of residents

15. Dolina Lory, *Early Tokoroa* (Tokoroa, NZ: D. Lory & Z. Paul, 1977).
16. Len Richardson, *Coal, Class & Community: The United Mineworkers of New Zealand, 1880–1960* (Auckland, NZ: Auckland University Press, 1995).
17. *Ibid*.
18. Department of Health, *A Review of Hospital and Related Services in New Zealand* (Wellington, NZ: Department of Health, 1969).
19. NZFP, *Kinleith*; Healy, *A Hundred Million Trees.*
20. Donald Leigh Chapple, *Tokoroa: Creating a Community* (Auckland, NZ: Longman Paul, 1976).
21. *Ibid*.

noted.[22] For example, in 1969, 86 per cent of the population had resided in the town for less than ten years, 63 per cent for less than five years, and 17 per cent for less than one year.

The town's hospital was established as a general hospital in 1969, after a lengthy period of lobbying on the part of community members, unions and NZFP.[23] The justification for both company and union involvement in the project centred on two themes: the provision of essential health services to workers and their families, and to support improved worksite health and safety for a high-risk industry. While both company and trade unions made contributions to the initial development of the hospital as well as lobbying and fundraising for additional funds for fit-out, furnishings and extensions, there was no formal agreement between them concerning ownership and governance of the hospital. This case illustrates ways in which the unions and NZFP worked cooperatively towards the mutual goal of the establishment and ongoing support for hospital services in the town.

Mutualism, the Union and Healthcare: An International View

Trade unions have been involved in a range of worker and community welfare initiatives, at times in conjunction with management. For example, despite the constraints placed on New Zealand trade unions in actively engaging in welfare activities under the *Industrial Conciliation and Arbitration Act 1894*, mutualism was a clear feature of New Zealand working-class life throughout the early-to-mid-1900s via friendly societies, voluntary associations and cooperatives. In one example, Shaun Ryan outlined the support provided by the Dunedin branch of Amalgamated Society of Engineers to a range of local ventures, including the Dunedin Railway Cash Cooperative Purchasing Association in 1916.[24]

However, it has been argued that union involvement in mutual activities is only borne as a "last resort." Myrna Bordelon argues that trade unions only become involved in community health and welfare activities if the problems facing workers cannot be negotiated at the site of production.[25]

> If [the union] is becoming more involved in the community, it is because of its realization that all the health and welfare problems working people face are a legitimate concern of the union, its awareness that many of these needs cannot be met across the bargaining table.[26]

According to Jane Holgate, union involvement in community activities is often driven by a need to maintain relevance during periods of declining membership, and a sign that unions "have lost much of their ability to challenge exploitation at the point of production."[27] Holgate describes the strategy of engaging in coalitions with community groups to advance mutual interests. The involvement of unions in worker and community healthcare is one example where this engagement is evident, although this is largely seen in the North American context,[28] primarily due to differences in healthcare provision.

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22. *Ibid*.
23. *Ibid*.
24. Shaun Ryan, "Class, Skill and Control in a Southern City: The Case of the Dunedin Branch of the ASE c. 1880–1920," *Labour History*, no. 99 (November 2010): 77.
25. Myrna S. Bordelon, "A Demonstration of Worker Participation in Community Organization," *Journal of Educational Sociology* 23, no. 3 (1949): 155–62.
26. *Ibid*., 156.
27. Jane Holgate, "An International Study of Trade Union Involvement in Community Organizing: Same Model, Different Outcomes," *British Journal of Industrial Relations* 53, no. 3 (2015): 460–83.
28. For example, Adolph Held, "Health and Welfare Funds in the Needle Trades," *Industrial & Labor Relations Review* 1, no. 2 (1948): 247–63, documents the involvement of unions in health and welfare funds in the US Needle Trades from the introduction of self-financed sick pay in 1893. Held also documents the operations of US workplace health centres during the post-World War II period. John H. Simons, "The Union Approach to Health and Welfare," *Industrial Relations* 4, no. 3 (1965): 61–76, states that in 1960, 70 per cent of all American health insurance policies were part of a union-negotiated bargaining. Simons further discusses the inherent paradox in

Worker welfare has been a primary concern for trade unions since early worker organisations formed due to concerns raised during the industrial revolution and concerns regarding long work hours, poor working and living standards, and poor health outcomes. Jenn Hagedorn *et al*. highlights the importance of issues of worker health in union bargaining, and the historic role in promoting a healthy workplace, and health provisions for employees.[29] Moreover, Beth Malinowski, Meredith Minkler and Laura Stock go so far as to frame the trade union *as* a public health institution.[30] The early New Zealand unions provided sickness benefits and unemployment benefits,[31] and as such, were involved in early lobbying attempts to have this financial burden transferred to employers.[32] Therefore, the issue of worker health and welfare underpins the union movement. However, these early union benefits were effectively limited to the trades,[33] and given that localised, and national unionisation rates were low, many more workers accessed health and welfare benefits through friendly society membership. Indeed, union membership rates in New Zealand remained low until compulsory membership was introduced in 1936.[34] The subsequent introduction of universal state medical care and associated sickness and disability allowances, with the passing of the *Social Security Act 1938*, generally took the place of any private or industry-based need to provide medical services for workers.

The presence of unions in nineteenth century worker health and safety initiatives and the rise of industrial paternalist practices were concurrent movements responding to a shared underlying issue. Of particular concern to early industrialists was the emerging struggle between labour and capital, and the poor conditions in working communities.[35] Paternalistic practices, alongside negotiation with workers groups, became a key facet of employment relations practice of the time. As Shackel and Palus observed:

> Well-planned living environments, they [industrialist] believed, would make better citizens and better workers, because they would feel gratitude for the patron industrialist who made for these better conditions; the corporations would provide what their workers were organizing to demand, and in doing so circumvent and undercut the power of organized labour.[36]

This suggestion, that significant industrial presence in the planning and maintenance of communities would simultaneously address the issues of worker health and labour conflict, led to the development of many company towns throughout Europe and North America in the late 1800s and early 1900s. Moreover, this dual purpose of industrial paternalism to address worker health and labour conflict illustrates the entwining of both management and labour interests. In New Zealand, the few cases of industrial paternalism were, with the exception of Tokoroa, associated with resource industries such as coalmining, during the late nineteenth century and early twentieth century period.[37] Such towns provide a specific example for exploring the ways in which unions engaged in cooperation and mutuality within the particularities of the New Zealand context.

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union-facilitated health insurance provisions, as these are often organised through private providers, which in turn leads to a flow of capital and ultimately growth in the private health system.

29. Jenn Hagedorn, Claudia Alexandra Paras, Howard Greenwich and Amy Hagopian, "The Role of Labor Unions in Creating Working Conditions that Promote Public Health," *American Journal of Public Health* 106, no. 6 (2016): 989–95.
30. Beth Malinowski, Meredith Minkler and Laura Stock, "Labor Unions: A Public Health Institution," *American Journal of Public Health* 105, no. 2 (2015): 261–71.
31. Bradon Ellem and Peter Franks, "Trade Union Structure and Politics in Australia and New Zealand," *Labour History*, no. 95 (November 2008): 43.
32. Roth, *Trade Unions in New Zealand*.
33. Ellem and Franks, "Trade Union Structure and Politics in Australia and New Zealand."
34. Roth, *Trade Unions in New Zealand*.
35. Paul A. Shackel and Matthew M. Palus, "The Gilded Age and Working-Class Industrial Communities," *American Anthropologist* 108, no. 4 (2006): 828.
36. *Ibid*., 830.
37. Richardson, *Coal, Class & Community*.

Tokoroa within the New Zealand Occupational Health and Safety Landscape

Concern for worker welfare in nineteenth century New Zealand mirrored concerns raised in British industry at the time. The New Zealand Sweating Commission 1890 explored the working conditions of women employed in the clothing industry,[38] and culminated in the passage of the *Factories Act 1891*, which outlined basic provisions for sanitary and safe working conditions in industrial settings in New Zealand. This legislation also established the Department of Labour, which oversaw labour inspections. Workers' groups from precarious industries, such as Seamen and Mining, were particularly vocal in lobbying for increased national attention to workplace health and safety during this early period.[39] The *Employers Liability Act 1882* transferred the liability for costs incurred due to workplace injury or sickness to the employer, removing the necessity for unions to provide these benefits to members. Subsequently, the *Workers Compensation for Accidents Act 1900* set out a framework for cases to be brought to the Arbitration Court, and extended the coverage to indirect victims, such as the workers' family members. The formal recognition of occupational health as an area of concern to the health community was initiated after the release of the 1944 "Davidson" report, commissioned by the Ministry of Health, and titled *Industrial Hygiene in New Zealand*.[40] This report was highly critical of workplace conditions in New Zealand, and led to the passing of the *Factories Act* in 1946, which legislated for improved minimum working conditions and provided for workplace inspections. The Occupational Health Division of the Department of Health was established in 1947.[41] The establishment of this new focus on occupational health was a prominent feature of the industrial landscape at the time the Kinleith Mill, and Tokoroa, was being developed.

Tokoroa became a site for activity to address worker health and safety. NZFP funded the country's first Occupational Health Centre which was opened in Tokoroa as well as sponsoring the first Postgraduate Course in Industrial Medicine in 1971.[42] The programme included tours of the Kinleith site and discussions around the provision of health services in relation to the pulp, paper and forestry industries. At the time, the managing director of NZFP reinforced the importance of worker health and welfare to the company, albeit to ensure productivity; aligning the goals of workers and management, manifest in a company commitment to health and welfare of staff.[43]

Development of the Kinleith Unions

The structure and development of the Kinleith combined unions, and the industrial climate at the time, are important precursors to the way in which the union and company were motivated to work to develop the Tokoroa Hospital. As the Mill and town were established under a period of compulsory union membership in New Zealand, it is perhaps unsurprising that the unions had a large membership; what is more surprising is the active support provided to the union by NZFP. The Kinleith unions had an active role in both the workplace and social structure of the town from

38. William Glass, *The New Zealand Federation of Labour and Combined State Unions Occupational Health and Safety Project, 1983–1985: A Project to Develop a Comprehensive Review/Report on Trade Union Involvement in Occupational Health and Safety in New Zealand of which This Report is Part* (Wellington, NZ: The Federation, 1985).
39. *Ibid*.
40. William Glass, "Occupational Health in New Zealand: Where from? Where to?" *Internal Medicine Journal* 44, no. 9 (September 2014): 831–33.
41. *Ibid*.
42. William Glass, *The Early History of ANZSOM: New Zealand and the Early Developments in Occupational Medicine in New Zealand 1965–1984* (Wellington: ANZSOM, 2011).
43. Statement by Managing Director, NZFP, as reported in Glass, *The Early History of ANSOM*, 4: "The health and welfare of people at work are of prime concern to management industry … it is therefore essential for management to examine the means by which they can assist their workforce to maintain good health and to implement the best means possible to achieve this objective."

its establishment.[44] Moreover, in such towns, the boundaries between workplace and wider community become blurred,[45] and the role of the union becomes wider than simply negotiating conditions of employment.

New Zealand's history of labourism stems from the trade union movement's roots in early industrial England, with early trade unions resembling branches of their British counterparts.[46] The rights of workers unions were officially ratified in New Zealand with the *Trade Union Act 1878*, and the 1894 *Industrial Conciliation and Arbitration Act*, which created a compulsory arbitration and negotiation system for resolving industrial disputes, established an Arbitration Court, and created a national union framework based along occupational lines.[47] From this time, national industry bargaining evolved to become the overarching employment relations mechanism in New Zealand,[48] however union membership rates remained low. Significant labour movement strength was gained with the formation of the Labour Party in 1916, culminating in the election of the first Labour Government in 1935,[49] and the establishment of the Federation of Labour in 1937, which later was to become the New Zealand Council of Trade Unions.[50]

However, in the post-World War II period when there were labour shortages, both unions and employers found the national awards to be insufficient to advance union interests, and to attract and retain key staff. By the 1960s, both single and multi-employer unions increasingly engaged in secondary bargaining, to reach agreement outside of the national awards.[51] The Kinleith Mill actively engaged in secondary bargaining as a means to both attract new and retain existing workers to the remote town of Tokoroa.[52] Additionally, as the site fell under multiple national industry-based awards, a collective site approach was favoured to reach above-award agreements.[53] This led to the formation of a Kinleith Combined Union, consisting of representatives from the 15 national unions represented on the Mill site.[54] At the time, all major unions operating in New Zealand were present on the Kinleith site, with the major players being the Pulp and Paper Workers Union, Engineers Union and Timber Workers Union.[55]

Industrial relations at the Mill, up until 1985, were characterised by significant union strength and power. Kinleith was one of the largest industrial workplaces in New Zealand, with the workforce increasing from 1,500 in 1954 to 2,600 in 1965 and reaching 5,500 in 1980. As the site had representation from all major national unions, industrial disputes frequently played out at the Kinleith site.[56] The Kinleith workforce in the early years represented something of a micro-society. The skill and demographic mix at the Mill resembled a cross-section of the wider Tokoroa community, with higher than national average rates of Maori and Pacific Island workers,[57] many of whom were attracted to Tokoroa by work opportunities and government urbanisation programmes. The managerial roles (administration, technical, skilled trades) were generally populated by Europeans (NZ, Australian, Dutch and British), and the semi-skilled staff positions tended to be a

44. Chapple, *Tokoroa*.
45. Rex A. Lucas, *Minetown, Milltown, Railtown* (Toronto: University of Toronto Press, 1972).
46. Roth, H.O, *Trade Unions in New Zealand*.
47. James Bennett, *Rats and Revolutionaries: The Labour Movement in Australia and New Zealand 1890–1940* (Dunedin, NZ: University of Otago Press, 2004); Michael Barry and Pat Walsh, "State Intervention and Trade Unions in New Zealand," *Labor Studies Journal* 31, no. 4 (2007): 55–78.
48. John Deeks, Jane Parker and Rose Ryan, *Labour and Employment Relations in New Zealand* (Auckland, NZ: Longman Paul, 1994).
49. Ellem and Franks, "Trade Union Structure and Politics in Australia and New Zealand."
50. Peter Franks and Melanie Nolan, *Unions in Common Cause: The New Zealand Federation of Labour 1937–88* (Wellington, NZ: Steele Roberts, 2011).
51. Barry and Walsh, "State Intervention and Trade Unions in New Zealand."
52. Healy, *A Hundred Million Trees*.
53. Franks and Nolan, *Unions in Common Cause*.
54. Chapple, *Tokoroa*
55. Healy, *A Hundred Million Trees*.
56. Deeks, Parker and Ryan, *Labour and Employment Relations in New Zealand*.
57. T. Osborne, M. Rangiawha and E. Williams, *Tokoroa: A Report on the Housing and Economic Climate* (Wellington, NZ: Housing Corporation of New Zealand, 1989).

more broad mix of NZ European, Maori and Pacific Islanders.[58] The majority of unskilled jobs were performed by Maori and Pacific Island workers.

Within the social structure of the town, the demarcation between union and management was clearly defined. The combined union exerted significant influence over community activities, and representatives from the union held leadership positions in key community groups. The strength of the unions in Tokoroa at this time was not unique within the New Zealand context. In particular, the Waterside Workers' Union[59] and the United Mineworkers Federation[60] are examples of organisations of significant strength at the time. However, a characteristic of the Kinleith site was the representation on site of multiple national unions, the combined Kinleith unions and associated community-level involvement. The involvement of the unions in community activities garnered community support, and contributed to their influence at the point of production.

The period 1960–84 was one of increasing industrial disputes nationwide, although the levels in New Zealand remained roughly one-quarter that of Australia.[61] The number of working days lost nationally went from 35,700 in 1960 to 690,523 in 1979.[62] The stoppages in the Pulp and Paper industry peaked in 1978 with 27 stoppages. At the Kinleith site, this trend was repeated, with industrial action reported to have cost NZFP more than NZ$1 million in the period 1971–73, and more than NZ$12 million from 1976–77. A significant cause of this unrest was national changes to demarcation agreements. The national government moved to introduce allowances based on qualifications, where previously the equity structures were based on seniority.[63] The Kinleith workforce was particularly opposed to these changes, as the Mill employed workers covering a wide range of skill levels – from semi-skilled labourers to skilled trades-people and professionals. As such, this change challenged the site collective. What followed was a series of demarcation disputes, and industrial unrest. Therefore, the period 1960–84 was a time of significant industrial unrest at the Kinleith site.

Immediately following this period of significant industrial action was a series of legislative changes which systematically diluted the significance of the labour movement in the New Zealand industrial relations landscape. The 1984 *Industrial Relations Amendment Act* removed compulsory arbitration for private companies. The 1987 *Labour Relations Act* removed the rights of national unions, allowing smaller unions to form and opt out of national awards. The two-tier bargaining system operating at Kinleith was outlawed with the introduction of the *Industrial Relations Act 1984*.[64] This meant that the unions could no longer bargain as both national agencies and as a combined union, which further eroded the collective power at the Mill. The largest blow for New Zealand labourism came with the introduction of the *Employment Contracts Act 1991*, which removed compulsory union membership, essentially outlawed strike action and encouraged individual employment agreements.[65] National union membership density fell from 41.5 per cent in 1991 to 21.7 per cent in 1995.[66] Alongside these legislative changes, the Kinleith Mill introduced systemic reductions in the workforce. From the first round of

58. Chapple, *Tokoroa*
59. Michael Bassett, *Confrontation '51: The 1951 Waterfront Dispute* (Wellington, NZ: Reed, 1972); Dick Scott, *151 Days: The Great Waterfront Lockout and Supporting Strikes, February 15–July 15, 1951* (Auckland, NZ: Reed, 2001).
60. Richardson, *Coal, Class & Community*.
61. Chris Briggs, "Strikes and Lockouts in the Antipodes: Neo-Liberal Convergence in Australia and New Zealand," *New Zealand Journal of Employment Relations* 30, no. 3 (2005): 1–15.
62. Toby Boraman, "Merging Politics with Economics: Non-Industrial and Political Work Stoppage Statistics in New Zealand during the Long 1970s," *New Zealand Journal of Employment Relations* 41, no. 1 (2016): 64–82.
63. Stuart McCaw and Raymond Harbridge, *The Labour Government, Big Business and the Trade Unions: Labour Relations at Kinleith in the 1980s*, Victoria University Industrial Relations Centre, *Working Paper* 90, no. 3 (Wellington, NZ: Industrial Relations Centre, Victoria University, 1990).
64. *Ibid*.
65. Jane Kelsey, *The New Zealand Experiment: A World Model for Structural Adjustment?* 2nd ed. (Auckland, NZ: Auckland University Press, 1997).
66. Andrew Morrison, "The Employment Contracts Act and its Economic Impact," *Parliamentary Library Background Paper*, no. 16 (Wellington, NZ: New Zealand Parliamentary Library, 1996).

redundancies in 1982, the workforce dropped from the peak of 5,500 to just 1,100 in 1990.[67] By 1998, there were just 700 staff working at the mill, and a decision to contract out all trades and maintenance in 2003 saw the number of company employed workers at just over 300,[68] all but removing the presence of remaining union representation from the site.

Therefore, up until 1987, trade unions at Kinleith had a dual role, as both representing national labour interests, alongside the site-based unions which had a much more collaborative relationship with management and a local focus. The changes occurring during the late 1980s and 1990s removed the presence of the site-based unions and diluted the power of the national unions. Additionally, significant workforce reduction at Kinleith Mill changed the relationship between the company and the Tokoroa community, and indeed the importance of the Kinleith workforce within the wider company. The case of the company and union involvement in the development of the Tokoroa Hospital demonstrates the ways in which these two seeming adversaries both contributed towards a common goal removed from the site of production.

Role of the Company and Unions in the Hospital Development

NZFP funded the provision of medical services to workers and their families from the time of Mill establishment, providing facilities for a small general practice clinic in the initial town development.[69] However, it soon become clear that the scarce medical services in the town were not sufficient to support the rapidly growing population. Following the passing of the *Social Security Act 1938*, secondary and tertiary health services in New Zealand were funded almost entirely by the federal government, as part of a Keynesian welfare state.[70] Moreover, voluntary contributions to hospitals nationally were also at a very low level, dropping from 13.2 per cent of hospital income in 1882–84, to 0.02 per cent in 1957,[71] demonstrating the overwhelming role of the government in the provision of healthcare in New Zealand.

Population growth in Tokoroa was significant immediately following the opening of the Mill. The town grew from 300 residents in 1947 to 4,500 at the time of Mill opening in 1954 and was 9,300 in 1963. This growth fuelled demand for medical services.[72] The town was predominantly made up of Mill workers and their families, and as such had a large proportion of young people and high birth rates.[73] Soon after the mill opened, NZFP and community groups lobbied the Waikato Hospital Board to establish a maternity hospital. Area hospital boards consisted of elected members from each borough or district falling within the area, and were responsible for all facilities, and the provision of services, within this area. The Tokoroa area representation was held by the NZFP Forest Superintendent, essentially providing NZFP representation on the Hospital board.[74] A temporary maternity hospital was established in May 1955, installed in three houses leased from NZFP.[75] The opening of the temporary hospital was not seen favourably by the local residents, who viewed such a temporary move as potentially stalling a decision regarding a permanent general hospital.[76] During the 18 months that the temporary hospital operated, the lack of government funding for hospital facilities was a constant issue at the community level. The local

67. Carter Holt Harvey, *Annual Report 1990* (Auckland, NZ: Carter Holt Harvey, 1990); NZFP, *Annual Report to Shareholders* (Auckland, NZ: NZFP, 1980).
68. Gordon Jon Thompson, "Trouble at the Mill," *Dominion Post*, 10 May 2003, WM1.
69. Chapple, *Tokoroa*.
70. Department of Health, *A Review of Hospital and Related Services in New Zealand* (Wellington, NZ: Department of Health, 1969).
71. Department of Health, *A Health Service for New Zealand* (Wellington, NZ: Department of Health, 1975).
72. *New Zealand Population Census* (Wellington, NZ: Statistics New Zealand, 1945, 1956, 1966).
73. Chapple, *Tokoroa*.
74. "Obituary: Francis Edward Hutchinson," *New Zealand Journal of Forestry* 27, no. 2 (1982): 147–49.
75. D. O. Walker, Assistant Secretary, NZ Forest Products, Letter to Waikato Hospital Board Advising Termination of Lease of Three Dwellings for Maternity Hospital, 1956, Series 10288, File R3757240, Archives New Zealand (hereafter A-NZ).
76. Hilda Ross, Memorandum to Minister of Health Regarding Public Meeting between Tokoroa Residents and Waikato Hospital Board, Hamilton, NZ, 1953, Series 10288, File R3757240, A-NZ.

community board proposed that they seek local avenues for funding, signalling the start of discussion regarding non-governmental involvement in the hospital project.[77] The maternity hospital moved to permanent facilities built by NZFP in 1956. NZFP then provided the previous temporary facility to the local general practitioners, for the establishment of a "convalescence hospital," with the purpose of both providing medical services, and serving as a "notional hospital" to collect data on the local need for expanded medical services.[78]

Due to continued rapid population growth in the town, demand for both maternity and general medical service soon outstripped the initial maternity services. In November 1960, the Tokoroa Hospital Promotion Committee was formed, with four members each representing NZFP and the Tokoroa Combined Union, who together made up eight of the 15 committee members.[79] The committee was very politically active, lobbying local body councils, members of NZ Parliament and the Health Board for almost a decade, until a general hospital was opened in 1969. The committee is noted in Health Board minutes as representing a significant "agitating force" in lobbying for the establishment of the Hospital, with frequent correspondence between the committee, Health Board, and the Department of Health.

While community pressure for a hospital was directed towards the governing National government during the 1960s, NZFP, national and local unions also lobbied the opposition Labour Party. This political pressure intensified as the Taupo electorate, which covered Tokoroa, became an increasingly marginal National party electorate after the 1963 general election.[80] While the Tokoroa township enjoyed physical infrastructure which had been privately funded and was built for growth, both health and education services were under particular pressure. A pressing community issue was seen as the need for a hospital, in particular to support the high-risk workforce and this was supported by both the unions and NZFP.[81] The Labour Party sought to gain ground in the Taupo electorate by supporting this initiative, backed by NZFP, the Kinleith combined unions, the national unions represented on site, and the Federation of Labour. These groups repeatedly raised questions regarding progress on the planning for a hospital. In response, the Waikato Area Health Board purchased 15 acres of land from NZFP in 1964 for the purposes of future hospital development. However, at this time, the Board still had not secured full funding for the hospital development.

The general election in 1966 saw an even closer result in the Taupo electorate,[82] and although the National Party retained the seat, the pressure from the Labour Party to establish a hospital intensified. Government funding was restricted, and at one time, it was feared that the hospital would not be completed and opened. The union responded directly to this funding scarcity, requesting that members donate £5 per worker per fortnight for a period of six months to supplement the purchase of hospital equipment.[83]

The Tokoroa general hospital opened in 1969 prior to the general election, consisting of two wards. Subsequent elections saw the Taupo electorate frequently change between National and Labour, with Labour winning the seat in 1972 and 1978 while the National Party won in 1975 and

77. Tokoroa Citizens and Ratepayers Association, Letter to Waikato Hospital Board, 19 March 1953, Tokoroa, NZ, Series 10288, File R3757233, A-NZ.
78. "'Notional' Hospital for Tokoroa," *Waikato Times*, 10 April 1962, A6, in Series 10288, File R3757233, A-NZ.
79. K. Otto, County Clerk, Letter from Matamata County Council: Tokoroa Town Committee Advising Establishment of Hospital Promotion Committee, 14 Nov 1960, Series 10288, File R3757233, A-NZ.
80. "General Elections 1980–1993," Electoral Commission of New Zealand, accessed April 2017, http://www.elections.org.nz/events/past-events/general-elections-1890-1993.
81. "Tokoroa Gives Support for 100-Bed Hospital," *Waikato Times*, 13 March 1962, A8, in Series 10288, File R3757233, A-NZ.
82. "General Elections 1980–1993."
83. One union member at the time recalled, "Another thing what the Union did a lot of people here don't know nowadays, just after I started in the bush we had a big Union meeting at Kinleith and they asked us if we would donate £5 a fortnight for six months to help pay for the hospital … a lot of money then and you would have been looking at something like seven, eight hundred workers in the Union and we put £5 a fortnight for six months to pay for that hospital up here … the government couldn't finance it." Interview with the author, 5 April 2011.

1981.[84] Each election campaign in the electorate saw promises from both parties to upgrade hospital facilities. Indeed, a further two wards were added to the hospital site during the late 1970s, but never opened.

The involvement of both NZFP and the Unions in funding the hospital continued well after opening, consisting of voluntary donations and continued lobbying. During the late 1960s and 1970s, NZFP instituted safety awards, in consultation with the site unions, and agreed to award workers at a rate of NZ$2 per worker for a set number of accident free days. Throughout the five-year scheme, NZFP reported 1,000,000 accident-free hours.[85] Unions negotiated with NZFP to have workers allocate a portion of this payment to nominated parties, one of which being the Tokoroa Hospital. Records show that the awards led to donations to the hospital of NZ$704 (1969), NZ$518 (1970) and NZ$1,000 (1971).[86]

In 1972, NZFP donated both the materials and labour to build a hospital library on the site.[87] In the same year, the Tokoroa Trade Union Committee formed a "Tokoroa Hospital Therapy Pool and General Amenities Fund," with the first donation of NZ$3,000 being transferred to the Waikato Area Health Board in 1973.[88] The aim of this initiative was to fund a Hydrotherapy pool at Tokoroa Hospital, chiefly through member donations. However, despite funds being transferred to the Area Health Board, the pool project was never started. The workers also provided significant donations to the hospital through other associations, both community and organisational. One of the larger sets of donations came from the NZFP established single men's camps funds, which donated over NZ$5,000 to the hospital between 1974 and 1976.[89]

The period of the mid-1970s saw the relationship between union and management become increasingly acrimonious. The traditional strength of the combined union was directly targeted by management. For example, a 16-day strike in 1977 was largely settled through breaking the combined Kinleith union.[90] Management targeted individual unions with separate offers, in an effort to break the combined strength. Immediately following, as noted above, during the mid-1980s rapid change and restructuring began at Kinleith, mirroring, and enabled by, widespread neo-liberal structural adjustment. These changes also occurred concurrently with a reduction by NZFP of its involvement in both community activities and direct town administration. By 1984, NZFP had reduced the number of employee houses from 2,000 to just over 650,[91] and by 1990 had sold the last of the company-owned housing.[92]

Along with a period of political structural adjustment from 1984–91, which reshaped many aspects of New Zealand industry, labour and social frameworks, state health services were targeted for reduction.[93] Tokoroa, being a rural hospital servicing a declining population base due to workforce reductions, was placed under review. In 1990, when the review of Tokoroa hospital was

84. "General Elections 1980–1993."
85. "Working Safely Pays Handsomely," *New Zealand Forest Products News* 12, no. 2 (1975): 6.
86. House Manager, Tokoroa Hospital, Memorandum Advising Receipt of Donation from Services Section, Engineering Dept., NZFP, 2 September 1971; Secretary, Tokoroa Hospital, Letter Acknowledging Receipt of Donation from Pulp Mill Section, NZFP, 11 December 1969; Secretary, Tokoroa Hospital, Letter Acknowledging Receipt of Donation from NZFP Safety Award, 17 September 1972; all in Series 10287, File R7196236, A-NZ.
87. Waikato Area Health Board, Tokoroa Hospital Board Minutes, 16 November 1972, Tokoroa Hospital Library, Series 10287, File R7196236, A-NZ.
88. Manager (Administration), Tokoroa Hospital, Memorandum Notifying Receipt of Donation from Tokoroa Trade Union Committee, 15 February 1973, Series 10287, File R7196236, A-NZ.
89. Board, Waikato Area Health, Finance and Amenities Agenda Item, 26 February 1973, Donations to Tokoroa Hospital 1973; Board, Waikato Hospital, Memorandum of Receipt of Donation from Braeside-Glenmore Singlemens Camps, 17 March 1975; Manager (Administration), Tokoroa Hospital, Memorandum Advising Receipt of Donation from Braeside-Glenmore Camps 17 December 1974; all in Series 10287, File R7196236, A-NZ.
90. *Kinleith '80* (videorecording).
91. Osborne, Rangiawha and Williams. *Tokoroa*.
92. P. H. Campbell and L.S.B Weerasinghe, *Tokoroa: A Changing Community: A Report on the Housing Situation in Tokoroa* (Wellington, NZ: Housing Corporation of New Zealand, 1986).
93. Kelsey, J., *The New Zealand Experiment*.

announced by the Waikato Area Health Board, both unions and company continued their support for the hospital via lobbying and the formal submission process.[94] The Health Board management viewed the union and company submission to the review as antagonistic, commented that the local reaction, including from community, workers' groups and major employers "has been vigorous, and we have never been able to convince some of the leading players that the reductions were equitable, or that they were not part of a long term secret plan to do away with Tokoroa Hospital."[95] The proposed changes announced by the review included the removal of Tokoroa hospital from the house surgeon rotations, signalling that the hospital would no longer be a key part of the training site for the Health Board.[96] Other changes proposed included the "need to restrict acute admissions," an immediate reduction in medical staff at the hospital, and the announcement of a future review of the total hospital operations.[97]

The Pulp and Paper Workers' Union, backed by the national Council of Trade Unions, organised a series of public meetings in Tokoroa, the first of which was held at the Pulp and Paper Workers' offices in May 1990.[98] NZFP wrote submissions to both the Minister of Health, and the Waikato Area Health Board, stressing the importance of the hospital for both community and industry.[99] An excerpt from one letter reads:

> [W]e at NZFP Forests believe it is essential that the services provided by Tokoroa Hospital be maintained and expanded to meet the needs of the community. The services supplied are vital to the welfare of our own staff, our contractors staff and to the community as a whole … Being a forestry oriented company, the working conditions for our own workforce and the staff of our contractors, are sometimes hazardous … We believe it is critical to have local facilities to render immediate emergency health care.[100]

Similar sentiments were expressed by the Council of Trade Unions:

> [A]t the last meeting of the Tokoroa CTU District Council, several delegates raised very serious concerns over the fate of the Tokoroa Hospital. As you will appreciate, the standard of healthcare in our community is a far-reaching, serious issue for us and our families.[101]

Despite the mobilisation of support for the hospital, the services offered at Tokoroa Hospital were revised and reduced during the period 1990–2004. It is not clear that the mutual efforts to resist the scaling back of services had any noticeable impact. The hospital currently offers one in-patient ward with 17 beds, and a range of out-patient and maternity services.[102] The remainder of hospital buildings and facilities are currently utilised for private primary health care, and a community counselling and support centre. The unopened Ward 3 and four buildings remain unused.

However, despite a reduction in hospital services, the union involvement in the initial development remains a legacy. Residents noted a feeling of ownership over the hospital, and

94. Waikato Area Health Board, Tokoroa Hospital: Proposal, 1990, Series 10292, File R22919866, A-NZ.
95. *Ibid*.
96. *Ibid*.
97. *Ibid*.
98. R. Middlemiss, Secretary, Tokoroa Council, NZ Council of Trade Unions, Letter Advising Meeting of Union Members and Delegates regarding Tokoroa Hospital Review, 12 June 1990, Series 10290, File R22919550, A-NZ.
99. M. J. McAlanon, Manager, Kinleith Forest Region, Letter Regarding the Importance of Tokoroa Hospital Services, 22 August 1990; N. Neilson, Assistant General Manager, Waikato Area Health Board, Letter Regarding Future of Tokoroa Hospital, 11 September 1990; in Series 10290, File R22919550, A-NZ.
100. McAlanon, Letter Regarding the Importance of Tokoroa Hospital.
101. Middlemiss, Letter Advising Meeting of Union Members.
102. "Tokoroa Hospital Services," Waikato District Health Board, accessed April 2017, http://www.waikatodhb.health.nz/directory-of-our-services/tokoroa-hospital/.

significant dissatisfaction with the restriction of hospital services available. Additionally, in 2006, the link between the union and healthcare in the town was further evident, when the Social Welfare Fund of the (previously) Engineers Union was wound up, leaving NZ$500,000 to distribute to community agencies. These funds were made up of those raised during the 1965–80 hospital development period. Of these, major donations were made to Tokoroa Hospital, Stroke Foundation and Hospice Waikato. These healthcare services were originally provided by the Tokoroa Hospital, having since been divested to the community. By this time, the strength of the union had been fundamentally diminished in the town, with the workforce repeatedly downsized from a high of 5,500 workers in 1983 to just 350 in 2006. However, despite the reduction in both union and company presence in the town, the legacy of the union involvement in the development of the hospital remains.

Conclusion

Apparent tensions between labourism and mutualism often result from conflicts between labour and management interests. However, this case illustrates that the importance of adequate healthcare for a workforce prone to injury can drive union/management mutualism, and that this is not necessarily contradictory to the tenets of labourism. Although mutualism is often criticised for diluting conflicts in the traditional capital/labour employment relationship when this results in organising around issues of mutual benefit, whether management/union, or union/community, this case illustrates that such displays of mutualism can occur even during times of widespread labourism. This case also demonstrates that the way in which unions engage in mutualism is shaped by the wider context and does not always involve the formation of formalised mutual organisations. In the case of New Zealand, the relatively low rates of early unionism, the peculiarities of the labour context, and later the provision of universal state healthcare precluded the development of union sponsored organisations to provide health services for workers, as was the case in the United States. However, this case demonstrates that the underlying agenda of worker welfare remained a priority and, in an instance where state services were inadequate, the union actively worked with management to lobby and to gather donations for the establishment and future development of the local hospital.

In the case of union strength on the Kinleith site, the involvement of the unions in the community aided the support for the union in the workplace. As such, the wider interests of workers, their families and communities, was not of secondary importance to the Kinleith unions. Similarly, coming from a period of industrial paternalism, NZFP management was also focused on developing community services to retain skilled workers, and encourage production growth. However, the interests of both were not limited to community services. The issue of worker health and safety was of primary importance to both company and union, as forestry and pulp and paper processing, had a high level of industrial incidents. Therefore, the mobilisation of both company and union around the provision of community medical services served a variety of interests. Both parties reacted strongly when hospital services were reduced, perhaps signalling a sense of joint ownership, or at least an assumption that both union and management opinion would be relevant to health board decision-makers. However, this cooperation over the provision of health services did not preclude conflict between unions and company over other issues at the point of production. In this example company and labour mutual interests were cooperatively pursued at the same time as conflicting interests.

This case also highlights that certainly in the context of company or single industry towns, workers groups, unions, political interests and the organisation are intrinsically entwined. As the town itself was formed for the benefit of the company, the boundaries of the site of production become blurred, and subsequently community activities become an extension of the traditional employment relationship. Additionally, the fact that the New Zealand Government had relatively little role in the development of other town infrastructure, due to the unique nature of NZFP paternalism, seemed to instil in all parties a sense of responsibility to continue to provide services for the growing community. In turn, although lacking formal ownership or control over services, a

sense of ownership on the part of workers and NZFP fuelled the response to proposed cutbacks to hospital services.

This example demonstrates that the notion of mutualism has been historically used by trade unions in multiple and complex ways, and does not necessarily signal a subservience to the agenda of capital. Engaging in cooperative activities does not always demonstrate a weakening union agenda, but rather one method unions have employed in a variety of forms, to achieve improved worker welfare. Additionally, this example reminds us that union members are members of wider communities, families and societies, and that the boundaries between worker welfare in the workplace and those outside the workplace are not always easily drawn.

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