

1982

The wage and price freeze, 1982–1984



The most dramatic peacetime example of price control in New Zealand was the wage and price freeze imposed by Minister of Finance (and Prime Minister) Robert Muldoon in June 1982. Muldoon believed that the freeze would be an effective way of combating inflation, in part because it would dampen rising inflation. Many economists were sceptical, believing that inflation would be suppressed rather than banished, and that changes in relative costs of goods would be hidden, leading to economic inefficiencies. The freeze was unpopular with both employers used to passing on costs, and workers used to securing regular wage increases; so the cartoon's image of an isolated celebration on Muldoon's part, at the time of the freeze's first anniversary, is apt. The freeze lasted another 12 months – it was ended by the Labour government which ousted Muldoon, in 1984.

About this item

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Cartoon by Neville Lodge

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