

A loyal servant of capitalism

# **New Zealand Order of Merit for trade union head**

**A correspondent  
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Ken Douglas, president of the New Zealand Council of Trade Unions (CTU), has been awarded one of the top national honours--the New Zealand Order of Merit--in the traditional New Year's list. The award was inaugurated in 1997 by the then Prime Minister Bolger as an alternative to the royal honours system. The royal honours still exist, but the Order of Merit is more exclusive--at most 20 new holders are added at any one time.

In announcing his decision to accept the award, Douglas, who is about to retire, commented on the "irony" of being appointed to the order by the conservative National Party government at a time when it was continuing the "economic and legal assault on workers" of the past 15 years.

In fact, there is no irony at all. The award is a recognition of the invaluable services rendered to New Zealand capitalism by Douglas, the CTU and the trade unions over the last decade and a half. The union apparatus has been central in imposing the very "assault" on the working class that has resulted in a dramatic of living standards.

Douglas' union career began in his twenties when he became first president and then secretary of the Wellington Drivers' Union in 1963. He held this position until 1979 when he was elected to the post of secretary of the Federation of Labour, then the central organisation of private sector unions. In 1988 the Federation of Labour merged with state sector unions to form the CTU and Douglas was unchallenged for the position of foundation president.

Politically, Douglas has been a Stalinist all his adult life. In the early 1960s, he was a founding member of the pro-Moscow Socialist Unity Party (SUP) and later

became its national chairman. Douglas enjoyed close personal ties with the Moscow Stalinists.

Throughout its history, SUP has played a key role in New Zealand politics in subordinating the interests of the working class to the Labour Party and thus to the ruling class itself. Its members have occupied prominent positions in the trade union bureaucracy.

Between 1984 and 1990, the Labour government, acting in the interests of the international financial capital, carried through a far-reaching program of market reforms. Substantial sections of workers and middle class people suffered as tens of thousands of jobs were destroyed, state assets were sold off, working conditions were eroded and social conditions began rapidly deteriorating.

Douglas and the SUP worked inside the union apparatus to ensure that the working class drew no political lessons and did not break from the Labour Party as it became increasingly discredited. Instead, the SUP insisted that workers had to keep Labour in office on the grounds that it was a "lesser evil" compared to the Nationals.

When the CTU was established in 1988 under Douglas' leadership, it advanced three major policy platforms--the establishment of a formal "compact" with the Labour government, the amalgamation of unions to create larger bureaucratised organisations based on industry groupings, and close collaboration with employers to implement "workplace reform" initiatives.

In the name of promoting the international competitiveness of New Zealand industry, the unions sought to suppress any militant action by workers to defend their jobs and living standards. The assault on

the working class under increasingly right-wing Labour governments only deepened when Labour was thrown out of office in 1990 and a National Party government was elected.

A crucial turning point was reached in 1991 when the National Party government prepared to introduce its Employment Contracts Act (ECA). The legislation, demanded by the major employer lobby groups, aimed to force down wages and to atomise the working class by undermining any right to organise. It included a new regime of individualised employment contracts, casualisation and the removal of existing rights, voluntary unionism and the banning of most forms of industrial action, in particular any strikes not connected with contract negotiations.

A groundswell of opposition developed among workers against the proposed legislation and rank-and-file unionists began demanding that the unions launch a nationwide general strike. At a Public Service Association conference, a resolution calling for a national stoppage against the ECA was carried by 45,000 card votes to just over 15,000 against.

At the same time, widespread industrial disputes erupted among factory workers, nurses, teachers, pulp and paper workers, shop employees and bus drivers. The savage cutbacks to welfare in the 1991 budget also led to large-scale public demonstrations against the government's economic and social policies.

Douglas and the CTU leadership vigorously worked behind the scenes to break up this movement. These leaders visited their affiliated unions and argued that the CTU should not lead a campaign against either the ECA or the welfare benefit cuts. According to Douglas, the era of confrontational industrial relations was over and trade unions had to face "the realities of global competition".

As a result of intense pressure from the CTU hierarchy, supported in particular by SUP-affiliated union officials, union leaderships either ignored, or in the case of the Public Service Association, simply overturned rank-and-file resolutions demanding action.

Led by Douglas, the CTU executive voted against industrial action over the ECA, a decision subsequently endorsed by affiliated unions at a CTU conference later that year. Douglas defended the CTU's perfidy by blaming the working class, falsely claiming that workers would not have supported a general strike.

As a result the Employment Contracts Act passed into law completely unchallenged and, combined with the cuts to welfare, had devastating results for working people. In her book, *The New Zealand Experiment*, Auckland University law professor Jane Kelsey cites evidence that in one three month period alone, between the May and August quarters of 1992, average weekly earnings fell by almost \$15, due to the elimination of overtime provisions in employment contracts. Some workers lost as much as \$7,000 from their annual income on pay rates that were already below \$30,000.

Workers have turned away from the union movement in droves. From a total union membership of almost 600,000 workers in 1991, or about 45 percent of the workforce, union membership has now dropped to less than 20 percent. Some industries, such as construction, agriculture and mining were almost entirely de-unionised within two or three years. The Douglas legacy, after a decade as CTU president, is a union apparatus that has dwindled in size and now acts as little more than an industrial relations bureau for employers.

Douglas has played a similar role on the international stage in his capacity as president of the Asia-Pacific Regional Organisation of the CIA-sponsored International Confederation of Free Trade Unions (ICFTU). He has functioned as an international trouble-shooter for the ICFTU, right at the point where the bourgeoisie throughout the region confronts a growing economic and political crisis.

In September 1997, he headed an ICFTU delegation to China aimed at cementing closer relations with the Beijing bureaucracy and the state-run unions. The delegation completely ignored the atrocious conditions of workers, saying that they were "particularly impressed with the protections for workers and trade union rights in the Special Economic Zones (SEZ)".

It is little wonder, after three decades of loyal service, that the New Zealand bourgeoisie has decided to give the Order of Merit to its political servant Douglas.



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