A reply to the RMTU on the anti-working class record of the New Zealand rail unions

Socialist Equality Group (New Zealand)
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The WSWS article "New Zealand rail union seeks to renew pay deal with private operator," published on August 7, has provoked an outraged response from Wayne Butson, general secretary of the Rail and Maritime Transport Union (RMTU).

In a letter posted to the Socialist Equality Group (New Zealand) Facebook page Butson complained: "Your article is being distributed and people will be reading it and getting quite the wrong impression of one of New Zealand's most effective unions."

Butson desperately attempted to obscure the fact that the union has collaborated with Labour and National Party governments, councils and private companies, to cut staff, keep wages down and boost corporate profits. At the same time, he expressed deep hostility to strikes and the class struggle, defended the low wages paid to rail workers, and made clear the RMTU's support for the opposition Labour Party in the September 23 election.

Butson's statements provide an opportunity to clarify the anti-working class record of the RMTU and its predecessors. The union cannot, in any meaningful sense of the term, be described as a workers' organisation. Like other trade unions in New Zealand and internationally, it is controlled by a privileged bureaucracy, which has for decades worked hand-in-hand with big business and the government to attack the social position of the working class.

The WSWS article explained important facts—not, as Butson asserts, "untruths, rumour and supposition"—about the RMTU's role in recent attacks on workers:

• When the Wellington Regional Council privatised its commuter rail services in 2016, the union echoed false statements that workers' conditions would be protected under the private operator Transdev and Hyundai Rotem (THR).

• In July 2016, the RMTU agreed to a meagre 2 percent pay increase for 391 members in Wellington, barely above the official inflation rate and well below the cost of living. This pro-company agreement was imposed through anti-democratic methods aimed at stifling any opposition or dissent.

• The RMTU is now preparing another pro-company deal in Wellington. Butson defends his dismissal of members' calls for a 15 percent wage increase and describes THR's low wages as "reasonable." Most passenger operators work part-time and receive $17.62 an hour, only slightly above New Zealand's official minimum wage of $15.75.

Unions' collaboration with mass redundancies

The precarious and low-paid position of rail workers is the outcome of decades of betrayals.

Butson dismisses as "risible" the WSWS' "claim that the RMTU (and its predecessor unions) colluded with the government and the bosses to diminish the workforce." He states, "The de-manning of rail was part of a much wider neo-liberal project that occurred on a number of fronts during the 1990s and can hardly be laid at the foot of the current leadership."

In fact, the major cutbacks began not in the 1990s but during the 1984-1990 Labour Party government, with which the unions fully collaborated. NZ Rail (NZR) was one of several public services, including forestry, transformed by Labour into State-Owned Enterprises, whose job was to generate profits and compete with private businesses. This was a first step towards full privatisation.

The Lange government deregulated the financial market and slashed taxes for the rich to remove all obstacles to private investment and profit-making. Throughout the world, New Zealand Labour's program was hailed in the corporate press as a model for pro-market restructuring.

Labour's attacks, which paralleled those of Thatcher in Britain, Reagan in the United States, and the right-wing Hawke-Keating Labor government in Australia, produced a huge increase in unemployment and social inequality. Tens of thousands of jobs were cut in rail, forestry, meat processing, the auto industry, the postal service and many other areas. Entire towns and working class suburbs were decimated, and have never recovered.

These were not simply "neo-liberal" policies imposed by treacherous individuals. By the 1980s, the unprecedented level of global economic integration and mobility of capital, made possible by advances in technology, had fundamentally transformed the role of the unions and social democratic parties in every country.

The globalisation of production destroyed the viability of all previous programs of limited reform, based on national economic regulation. When the ruling elites demanded the dismantling of subsidies, tariffs and other protections, so that businesses could attract new investment, boost their profits and remain globally competitive, the unions accepted their new role as enforcers of this agenda.

The record of the New Zealand rail unions is a case study of just how the union bureaucracy worked to suppress workers' resistance to corporatisation, privatisation and job cuts.

In 1984, the unions actively promoted Labour's election promise to "Save Rail," which quickly turned out to be a complete fraud. From 1983 to 1990 under the Labour government, NZR shed about 13,000 jobs, i.e., 60 percent of its workforce. Today there are 3,400 people employed by KiwiRail, compared with 21,000 in 1982.

In an attempt to rewrite history, a 2013 pamphlet, endorsed by the RMTU, blames Labour's Prime Minister David Lange, Finance Minister Roger Douglas and Railways Minister Richard Prebble. It states: "The union opposed both the driving pace of change and the staff reductions on safety grounds." [1]

This is false. In fact, the rail unions agreed to major staff cuts in almost every area of NZR. Their approach was summed up in 1989 by National Union of Railway Workers (NUR) Wellington branch manager Kevin Addley, who said: "We can't carry on with past staffing levels. We need

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now to see if each job is viable, and if it is not then we have to work to get the best possible severance deals." He added that NZR, unlike in the past when it was a public service, now "needs to be profitable and the union has to take that into consideration." [2]

Rail workers tried to fight back. The Napier and Kawerau branches of the NUR held one-week strikes in March and June 1986, but they were isolated and defeated. The unions refused to call nationwide industrial action against the closure of regional lines and the introduction of two-person crews on freight trains.

Another union, the Locomotive Engineers' Association (LEA), informed its members in April 1986: "No longer can the system be expected to provide employment simply on the basis that this has been the traditional pattern." [3] In October 1988, LEA president O.H. Dunseath revealed that the union leadership had come "under very strong and personal attacks on our integrity and leadership" from local branch members who opposed the union's agreement with manning reductions. [4]

In May 1989, NZR CEO Kevin Hyde addressed a rail conference in London on how NZR's corporate restructuring could serve as a model for other countries. He stressed the importance of the unions' collaboration, boasting: "We have achieved the 55 per cent reduction in staff without major strife, and now have the acceptance, at least implicit, by the unions of the need to change."

Hyde noted that initially "some within the corporation" thought reducing crews to two workers would spark "an uproar from unions and staff" and a "strike … [which] would effectively destroy the business." Instead, the unions took a "refreshingly responsible attitude" and not only accepted double-manning but agreed, in November 1987, to running many trains with just one crew member. [5]

Well aware that it relied on the union to suppress the opposition of workers, the Labour government joined in the praise. In August 1989, then-Railways Minister Stan Rodger said the staff reductions were "a tribute to the attitude of the four rail unions," the NUR, LEA, Railway Officers Institute and the Railway Tradesman Association. [6]

Privatisation and renationalisation

The National Party, elected in 1990, slashed more jobs and sold off the corporatised NZR in 1993. It was initially bought by New Zealand investment bankers David Richwhite and Michael Fay, in partnership with US investors Wisconsin Central Transportation Corporation and Berkshire Partners, for $328 million.

The NUR and the Combined Union of Railway Employees (CURE, an amalgamation of the other three unions, founded in 1991) did not wage a fight against the privatisation. Taking their lead from the Stalinist-led Council of Trade Unions, they mounted a token campaign for a petition to the government. At the same time, the unions urged workers to re-elect the Labour Party, the very party responsible for decimating jobs and preparing NZR for privatisation.

The privatised company, renamed Tranz Rail, ran down infrastructure and closed four more regional services. The Labour Party, elected in 1999, arranged the sale of the company to Toll Holdings in 2003, assisted by a $75.8 million government bailout.

In 2008, the Labour government bought back the rail network for $655 million, more than double the 1993 sale price, essentially to bail out Toll, which was losing money.

The return to state ownership, lauded by Butson, only led to further cost-cutting and redundancies, as part of the austerity agenda imposed after the 2008 financial crash. In 2012, 90 jobs were lost with the closure of the Hillside rail workshop in Dunedin, and 158 engineering jobs were scrapped. The union assisted by urging its members to take so-called " voluntary" redundancy.

Butson now declares that Labour and its ally, the Greens, are "pro-rail and if elected will see real gains for rail in NZ." He adds that the "implication that [there] is something wrong with the RMTU donating money to the Labour and Green parties is absurd."

The claim that workers will benefit from a Labour-Green government is a lie. In Auckland and Wellington, councils controlled by former Labour and Green Party MPs are already working with Transdev to attack commuter rail workers (see: "Job cuts planned for Auckland rail service").

Both parties have committed to "budget responsibility rules," including a strict spending limit and paying down debt, which means deepening National's austerity measures. Along with the unions, the opposition parties have scapegoated immigrants who are among the most vulnerable sections of the working class, for low wages, unemployment and destruction of social services, for which governments' Labour and National, are responsible.

Following the betrayals of the 1980s, tens of thousands of workers abandoned the Labour Party and the trade unions in disgust. NUR members voted in 1989 to disaffiliate from the Labour Party. In 1995, the newly formed RMTU (a merger of CURE, the NUR, and the Harbour Workers Union) surveyed its members and found that four out of five opposed affiliation with any political party. [7] Nevertheless, in 2006 delegates at the RMTU's annual conference voted to affiliate to Labour.

The RMTU's support for Labour must be taken as a warning that the union is preparing to assist the next government in imposing more attacks.

The RMTU opposes the class struggle

Butson became a union official in 1990, during the period of mass layoffs, and rose to become national secretary in 1999. He fully absorbed the union bureaucracy's hostility to strikes and contempt for what he snidely calls "the eternal class struggle."

He states: "Unless we're living through a revolution, industrial action is merely preparation for building organisations and getting back around the table," i.e. to negotiate with management. As history shows, the unions' suppression of the class struggle means accepting mass redundancies and wage cuts, along with other attacks demanded by the bosses.

Butson writes: "The legal rights around strike action are very limited in New Zealand—more so than anywhere in the OECD—and are confined to health and safety related issues and when pursuing claims in collective bargaining." Far from challenging the anti-democratic industrial laws, the unions were instrumental in enacting them and invariably exploit them to intimidate workers who want to take industrial action.

The most draconian anti-strike legislation, the Employment Relations Act, was passed by the 1999–2008 Labour government and retained by the current National government, with only minor amendments. The law was based on a draft by the Council of Trade Unions (CTU) and enshrined the role of the unions as enforcers of "efficiency" and "productivity."

The unions complicity in suppressing industrial action is graphically demonstrated by the plunge in the number of strikes: from a high point of 487 in 1976 to just 13 in 2014, despite the deepening assault on jobs, wages and conditions. The Labour Party now wants to completely ban strikes during industry-wide wage negotiations, a policy supported by the CTU.

As their membership dues base has shrunk, the unions have responded with amalgamations and other methods to prop up their own privileged position. Butson and other RMTU officials derive significant additional income from administering superannuation and accident insurance funds.

New organisations and a new party are needed

We call on workers to draw fundamental political lessons from their bitter experiences with the Labour Party and the unions.

As the Marxist movement explained more than a century ago, the trade unions developed as organisations organically tied to the nation state and the profit system. They subordinated the working class to capitalism by extracting limited concessions for workers on the basis of protected and subsidised national industries. Globalisation has shattered these conditions.

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There can be no return to the period of national regulation and reform under capitalism. The unions' reactionary agenda cannot be reversed by replacing corrupt leaders or placing pressure on the bureaucracy. The RMTU's contempt for the class struggle is bound up with the historic transformation of the unions into the direct instruments of the ruling class in imposing attacks on jobs and living standards in the name of profits. The only demand of the union leaders is for their own positions to be protected.

Workers in every industry face the alternative of unending redundancies, wage cuts, privatisations and other attacks, or turning to a revolutionary socialist perspective.

As rail workers come into struggle to defend jobs and living conditions, they will inevitably come into conflict not only with KiwiRail, Transdev, the government and councils, but with the RMTU itself. To fight for their basic rights, workers will be compelled to organise independently of the unions and to politically break from all the established parties.

The Socialist Equality Group will provide workers seeking a way forward with every assistance in establishing independent rank-and-file workplace committees, controlled by the workers themselves.

In opposition to the nationalism and anti-immigrant chauvinism promoted by Labour and the unions to divide the working class, these committees will fight for New Zealand workers to base themselves on an internationalist strategy, linking their struggle with those of workers in Europe, Asia, Australia and the US who are facing the same attacks.

Above all, workers in every country need a new party, which seeks to unite them on the basis of a socialist and internationalist perspective. The SEG, in opposition to the unions and the entire political establishment, fights for a workers' government and the complete reorganisation of society along socialist lines, in accordance with human need, not profit. The major corporations and banks must be expropriated and placed under the control of the working class. Services such as rail must also be publicly owned and democratically controlled. The billions of dollars made available can then be utilised to organise society on a planned and rational basis in the interests of the vast majority, including the rebuilding and expansion of rail infrastructure, provision of free public transport, and creation of many thousands of decent, well-paid jobs. We urge rail workers to contact us to discuss these issues.

Sources:

[1] *Your Life for the Job* by Hazel Armstrong, Trade Union History Project, 2013, page 12.

[2] "Unionist's view of Railways' problems and prospects," *Rails*, March 1989, page 172.

[3] "Editorial," *New Zealand Locomotive Engineers Journal*, April 1986, page 1.

[4] "The President's Report," *New Zealand Locomotive Engineers Journal*, October 1988, page 2.

[5] "Telling the world about the NZR experience" by Kevin Hyde, *Rails*, July 1989, pages 263-269.

[6] *Rails*, October 1989, page 57.

[7] *The Transport Worker*, December 1995, page 9.

The authors also recommend:

No to war and social inequality! For world socialism! Statement of the Socialist Equality Group on the New Zealand election
[19 September 2017]

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[16 November 2016]

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