

Revolutionary Struggle Transformed by the Recolonisation of Aotearoa

*Central Committee of the Communist Party of Aotearoa
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Since the 1980s, particularly since 1990, foreign capital has been ascendant within New Zealand. The long-standing alliance of big domestic capital and big foreign capital in New Zealand is being fundamentally reshaped, transforming New Zealand from an independent capitalist country to a US semi-colony.

While big domestic capital still accounts for the majority of economic activity in New Zealand, foreign capital has been increasing its foothold rapidly since 1990. In particular the foreign takeover of two of the remaining big domestic corporate capitalists in May 1998, Lion Nathan and Brierley Investments, and the imminent abolition of major organisations of big domestic farming capital, the producer boards, have decisively shifted the balance of power to foreign capital.

Major comprador forces within successive Labour and National governments since 1984 have cravenly surrendered New Zealand national sovereignty to foreign control as the settler capitalists prostitute themselves in exchange for crumbs from the imperialists' table. The ascendancy of imperialist control of the New Zealand economy by the US and its Australian agents, can only be followed by political ascendancy of the direct agents of imperialism and the reduction of the independent settler capitalist state to a semi-colonial state. Already New Zealand is locked into a series of unequal 'free trade' treaties such as CER, the WTO, GATS and TRIPS, which cement its status as an exporter of cheap primary products and an importer of US technology and services.

The re-colonisation of Aotearoa by US imperialism has fundamentally transformed the strategic tasks of the revolutionary movement under the leadership of the Communist Party. The nature of the revolution has changed from a socialist democratic revolution to a national democratic revolution with a socialist orientation. The central task of the revolution is the overthrow of US imperialism and their local agents. The revolution is nationalist in that its aim is the overthrow of the imperialist yoke. The revolution is democratic in that its aim is to defend the democratic rights of the people and to advance the incomplete democratic rights of the oppressed Maori nation, the incomplete democratic rights of women, and the incomplete democratic rights of national minorities. The revolution has a socialist orientation because it cannot be carried out except under the leadership of the working class, whose immediate interest in capitalist society, is socialism. The victory of the national democratic revolution will be immediately accompanied by the commencement of the construction of socialism.

Dependent Settler Capitalism

Capitalist accumulation developed in Aotearoa on the basis of high ground rents from land violently seized from the Maori. Local settler capitalists accumulated capital in alliance with British banking capital which invested in mechanised processing, infrastructure development, and a transport network tied to delivering New Zealand agricultural produce to the British market. While the settler capitalists were dependent on British capitalism, autonomous capitalist accumulation was possible, and a growing proportion of the economy fell into settler capitalist hands.

For much of the post-WW2 period New Zealand capitalism has been dominated by domestic and foreign, particularly US, monopoly capitalists. Foreign monopoly capital commanded a number of strategic industries such as oil, chemicals, car assembly, aluminium, banking, shipping, and insurance. Local managers and board members of these foreign firms, particularly the finance sector, acted as agents of foreign capital. Domestic monopoly capital controlled agriculture, forestry and fishing, most

manufacturing, retailing, wholesaling, domestic transport, electricity generation and telecommunications. But domestic monopoly capital was dependent on foreign capital.

The characteristics of this dependency are:

- The reliance of big domestic manufacturing capitalists on foreign loan capital and technology, minority foreign shareholdings and inter-linking directorships.
- The dependence of the big farming capitalists and other primary producers on foreign markets, finance, insurance and shipping.
- The weakness of basic industries meant that any exports were import-dependent. An increase in predominantly primary product exports, requires increased imports of manufactured goods such as fertiliser and machinery.
- New Zealand capitalists face constant balance of payments problems. With export earnings being outstripped by import payments and payments to foreign capital for loans and investments, there is continual demand for other currencies. This weakens demand for NZ dollars and thus adds pressure for ongoing currency devaluations, overseas borrowing or further foreign investment.

Recolonialism

Amidst mounting world and local economic crisis in the early 1980s the foreign and comprador capitalists, particularly in the financial sector, seized the initiative and organised an extensive liberalisation programme. Big domestic manufacturing, retailing, financial and farming capitalists supported this initiative because they saw an opportunity to reduce their costs; cut inflation, wages, taxes and government charges; as well as because of their comprador associations with foreign capital.

Major comprador forces within successive Labour and National governments since 1984 have cravenly surrendered New Zealand national sovereignty to foreign control as the settler capitalists prostitute themselves in exchange for crumbs from the imperialists' table. In 1984 Labour removed exchange regulations, allowing vast inflows of foreign speculative capital, sharemarket capitalisation rising from \$17.6 billion in 1984 to \$42.8 billion in 1987. In 1985 the government removed agricultural and manufacturing protection, leading to the layoff of tens of thousands of workers and the bankruptcy of thousands of small and medium domestic enterprises and their concentration into the hands of big capital. In 1986 Labour amended the Commerce Act to make takeovers easier and in 1987 and 1989 removed most restrictions on foreign investment. The privatisation of state enterprises went mainly to foreign firms, while foreign assets tripled between 1990 and 1994. The 1991 Resource Management Act liberalised the purchase of natural resources.

The liberalisation of the New Zealand economy dramatically strengthened the position of foreign capital, initially foreign financial and services capital, and later US finance capital. Big domestic financial and retailing capital was eliminated and manufacturing capital severely weakened. Foreign investment has increased rapidly, from \$725 million in 1989 to a peak of \$4.7 billion in 1994. This has since fallen back to \$2 billion in 1997 but the total has risen to \$51 billion and New Zealand capitalists now pay out \$7.3 billion a year in profit repatriation and debt repayments to the foreign owners of these investments. This is the major contributor to New Zealand's balance of payments deficit of 7.7% of GDP, reinforcing the local capitalists' dependence on US imperialism. Foreign investment accounted for one third of all capital formation at its peak in 1994, but even at 11% in 1997 this is concentrated in the strategic commanding heights of the economy.

The NZ monopoly capitalist class is arguably still predominantly domestic, but foreign capital is rapidly increasing its stake. Looking at the thirty largest monopolies (Table 1), the turnover of the foreign firms is \$20 billion, while the turnover of the domestic monopolies is \$26 billion. If Fletcher Challenge is categorised as a foreign firm, the ratio is \$28 billion foreign to \$18 billion domestic.

The purchase of 45% of Lion Nathan by Japanese Brewing giant, Kirin in May was the takeover of one of the last remaining New Zealand owned corporations. The Lion purchase came at the same time that the Malaysian owners of Brierley Investments, Camerlin, ended their passive role in the company and forced the dismissal of chairman Bob Matthews and managing director Paul Collins. Fletcher Challenge, already majority foreign owned, remains effectively NZ managed and the foreign ownership dispersed, but this is unlikely to last. In any case Fletchers' activities are virtually indistinguishable from any foreign monopoly.

The foreign takeover of the largest domestic monopolies, the imminent abolition of major organisations of big domestic farming capital, the producer boards, and the likely foreign purchase of Electricorp have decisively shifted the balance of power within the ruling class to foreign capital.

The trend in foreign ownership shows that imperialism is clearly ascendant (Table 2). The foreign share of the turnover of the 30 largest NZ companies has increased from 11% in 1984 to an estimated 64% in 1999 (if Fletchers and Electricorp are included).

Table 1. NZ's 30 Largest Capitalists June 1998

Domestic	Turnover	Foreign	Turnover
NZ Dairy Board	6147	Telecom	3410
Fletcher Challenge Paper	3770	Air NZ	2981
Fletcher Challenge Building	3342	Carter Holt Harvey	2975
NZ Dairy Group	2350	Brierley Investments	2827
Kiwi Co-op Dairies	1666	Lion Nathan	2567
Electricity Corporation	1113	INL	1089
AFFCO	890	HJ Heinz	891
NZ Apple & Pear Board	874	DB Group	671
Fernz	840	Rothmans Holdings	603
Alliance Group	830	Tranz Rail	581
Fisher & Paykel	781	Comalco NZ	548
NZ Post	677	Richina Pacific	513
ZESPRI International	573	Methanex NZ	505
Fletcher Challenge Forests	573		20161
Trans Power NZ	558		
Northland Coop Dairy	507		
Richmond	501		
	<i>25992</i>		

Source: Management Top 200 1997. Turnover is 1997 \$m

Table 2. Share of Turnover of top 30 Firms

Year	Domestic	Foreign
1984	89%	11%
1990	77%	23%

1998	56%	44%
est. 1999	36%	64%

Source: Management Top 200, 1984, 1990, 1997

The ascendance of imperialist control of the New Zealand economy by the US and its Australian agents, can only be followed by political ascendancy of the direct agents of imperialism and the reduction of the independent settler capitalist state to a semi-colonial state. The power of the state to intervene in the economy to insulate the settler capitalists has been severely constrained by the corporatisation and privatisation of many activities. Major parts of the settler capitalist infrastructure such as ports, transport, telecommunications and electricity were sold to foreign capital. The 1988 State Sector Act, 1989 Public Finance Act, 1989 Reserve Bank Act, and 1993 Fiscal Responsibility Act all put significant obstacles in the way of any government attempting to intervene to protect domestic capitalist interests.

The comprador agents of imperialism also locked New Zealand into a series of unequal 'free trade' treaties which cement its status as an exporter of cheap primary products and an importer of US technology and services. The 1983 CER agreement with Australia creates a 'level playing field' that New Zealand capitalists can only benefit from by exporting low-wage manufactured goods, while opening New Zealand markets to Australian cheaper finished goods, services and investment. While New Zealand exports to Australia have nominally increased, much of this is from Australian owned firms exploiting New Zealand resources and lower wages. The 1994 GATT agreement gave New Zealand producers minimal new markets for primary products exports but opened up the domestic market to foreign access to banking, finance, education, tourism and intellectual property, enforced by the WTO.

Strategic Target of the Revolution

The enemies of the working class and oppressed peoples of Aotearoa is US imperialism and their local lackeys. As the Communist Party of China pointed out in 1963, "In the capitalist countries which US imperialism controls or is trying to control, the working class and the people should direct their attacks mainly against US imperialism, but *also* against their *own* monopoly capitalists and other reactionary forces who are betraying the national interest."

Because of the settler nature of New Zealand capitalism, that it is based on the exploitation of surplus value from the working class and on the exploitation of the resources of the lands stolen from the Maori, the basic forces of the revolution are the working class and the Maori nation.

But to defeat the powerful enemies we face, the working class needs to win every possible ally to the revolutionary cause. Only by isolating our enemies to the maximum and winning over all those who are exploited and oppressed can US imperialism be overthrown.

The united anti-imperialist front will include all class strata and groups who are oppressed by imperialism as well as the working class - the lower and some of the middle strata of the petty bourgeoisie, oppressed minorities, women, young workers and students. It will also be joined by some individuals from the national capitalist class, some farmers and even the occasional disaffected big capitalist who develop particular conflicts with imperialism. Already on occasion small groups of farmers, medium manufacturers and domestic shipowners have stood alongside workers in struggle against the comprador bourgeoisie in Aotearoa. However, this latter group is at best of secondary importance to the anti-imperialist united front. International experience shows there are considerable dangers in overemphasizing the significance of this group to the united front.

In particular, the small and medium (non-monopoly) capitalist class has a different character to the national bourgeoisie in semi-colonial/semi-feudal countries. In such countries the capitalist class is constrained in its development by foreign imperialism and feudal relations of production in the countryside. In such conditions the national bourgeoisie forms an alliance with the working class and peasantry to carry out the national democratic revolution that will remove the fetter on the development of bourgeois production relations. In New Zealand, however, small and medium capital is constrained by monopoly capital, domestic and foreign. Capitalist relations of production are fully developed. The only basis for alliance with the working class is for the nationalisation of the foreign monopolies. Beyond this, the only interest of the working class in small and medium capital is expropriation. The best the working class can offer is to buy out small and medium capital, rather than expropriating it without compensation, as will happen to the monopoly capitalists. In addition, settler farmers are dependant on stolen land for their accumulation of capital and so are particularly resistant to alliances with the Maori national democratic struggle. Historically, settler farmers have played significant reactionary roles in major class struggles in Aotearoa, and we can expect the vast bulk of farmers to adopt reactionary positions during the revolutionary struggle.

Tasks of the National Democratic Revolution in Aotearoa

The recolonisation of Aotearoa by US imperialism has fundamentally transformed the strategic tasks of the revolutionary movement under the leadership of the Communist Party. The nature of the revolution has changed from a socialist democratic revolution to a national democratic revolution with a socialist orientation.

The central task of the revolution is the overthrow of US imperialism and their local agents. The revolution is nationalist in that its aim is the overthrow of the imperialist yoke. The revolution is democratic in that its aim is to defend the democratic rights of the people and to advance the incomplete democratic rights of the oppressed Maori nation, the incomplete democratic rights of women, and the incomplete democratic rights of national minorities. The revolution has a socialist orientation because it cannot be carried out except under the leadership of the working class, whose immediate interest in capitalist society, is socialism. The victory of the national democratic revolution will be immediately accompanied by the commencement of the construction of socialism.

Political

The national democratic revolution will overthrow the dictatorship of the comprador and domestic big capitalist class and replace it with a Peoples' Republic of the working class, the Maori nation, the petty bourgeoisie and other anti-imperialists.

Peoples' Congresses at local and national levels, elected on the basis of universal suffrage, will govern Aotearoa. Because the imperialism profits from the oppression of the national minorities and women, the development of bourgeois democracy in Aotearoa is incomplete and will not be carried through by the capitalist class. Because of the remaining need to win democratic equality for the national minorities and women, the new government in Aotearoa will have the form of a Peoples' Democratic Republic.

Recognition will be given to the sovereignty of the Maori over Aotearoa and the Treaty of Waitangi honoured. The peoples' government will work for the equality of all nationalities, the revival the languages and cultures of the national minorities. White chauvinism and racism will be actively fought.

The Peoples' Democratic Republic will also fulfill the incomplete democratic rights of women by ending obstacles to their equal participation in society. Comprehensive public child-care will be established. Paid maternity leave, flexible working hours and a shorter working day will be legislated, as will the right to free contraception and safe legal abortion. Male supremacy would be vigorously combated.

The Peoples' Democratic Republic will prepare the way for the construction of socialist political institutions to unleash the full participation of the working class in society.

Economic

The Peoples' Democratic Republic will rebuild the economy on the basis of self-reliance. The property of the imperialists, compradors, and big domestic monopolists will be confiscated. Confiscated property shall be returned to the Maori. The state sector will become the leading force in the economy. Small and medium capital will be allowed to continue accumulating, but under notice that the socialist state will buy them out in the future.

The Peoples' Democratic Republic will develop its own internal credit system and give a priority to developing heavy industry necessary for self-reliance. The Peoples' Democratic Republic will trade with other countries on the basis of equality and mutual benefit, most likely mainly with other anti-imperialist nations.

Building an advanced self-reliant will pave the way for the socialisation of, first, the leading sectors of the economy and the fullest participation of workers in the day-to-day running of the economy.

Cultural

A national, scientific and mass culture will replace the colonial, idealist, elitist culture of the reactionary ruling classes. Traditional national cultural forms will be integrated with the most modern internationalist insights. The revolutionary democratic culture will express the heroic struggles and aspirations of the masses.

International

In waging the revolutionary struggle the Communist Party is contributing to the international struggle of against US imperialism under the principle of proletarian internationalism and as part of the international united front. Wherever possible, direct relations with fraternal parties will be established.

The Peoples' Democratic Republic will maintain diplomatic and trade relations with all countries that recognise the sovereignty of the people of Aotearoa and which engage in such relations for mutual benefit. All unequal treaties will be severed. The warmest relations will be developed with all communist parties and revolutionary movements fighting imperialism, revisionism, and reaction.

Socialist Orientation

Immediately on the victory of the national democratic struggle, the working class under the leadership of the Communist Party will commence constructing the conditions for socialism and the transformation of the Peoples' Democratic Republic into a Socialist Peoples' Republic. The working class relies its own strength and on the basic alliance with the Maori nation for this transformation.

The state and cooperative sectors of the economy will be promoted and advanced by the working class to create the economic base for socialism. Workers will be called on to revolutionize society in line with the socialisation of production. Promotion of the democratic rights of Maori and women will be to the forefront of this great struggle. Particular attention will be given to raising the economic, social and cultural level of people who especially suffered under capitalism. More extensive and explicit rights for the working class, oppressed nationalities, women and other social groups would also be guaranteed. The right to be free of exploitation would be primary over any property rights. The right to a job, today denied for thousands of people, would be guaranteed. The right to education and health care would be raised as basic human rights and resources concentrated in these areas to make this a reality. A socialist society can give a

great deal more attention and resources to arts, sports, education, sciences, humanities and popular entertainment. Cultural and political life will blossom outside the shadow of the dollar.

The socialist people's democracy will be the form of the political rule of the working class in Aotearoa, the specific form of the dictatorship of the proletariat. Democracy will be ensured for the vast majority and the national minorities and dictatorship exercised over a particular class - the former and would-be oppressors. As such, socialism will be the first stage of the development towards communism, a truly classless society. Communism is a long time off. It will be possible when worldwide economic, ideological and social development will allow the gradual amalgamation of peoples into one, making states themselves unnecessary. Communism will realise the ideal "from each according to one's ability, to each according to one's need." Classes will have largely disappeared, the state will "wither" away, and an exciting new era of human freedom and prosperity will arise. #