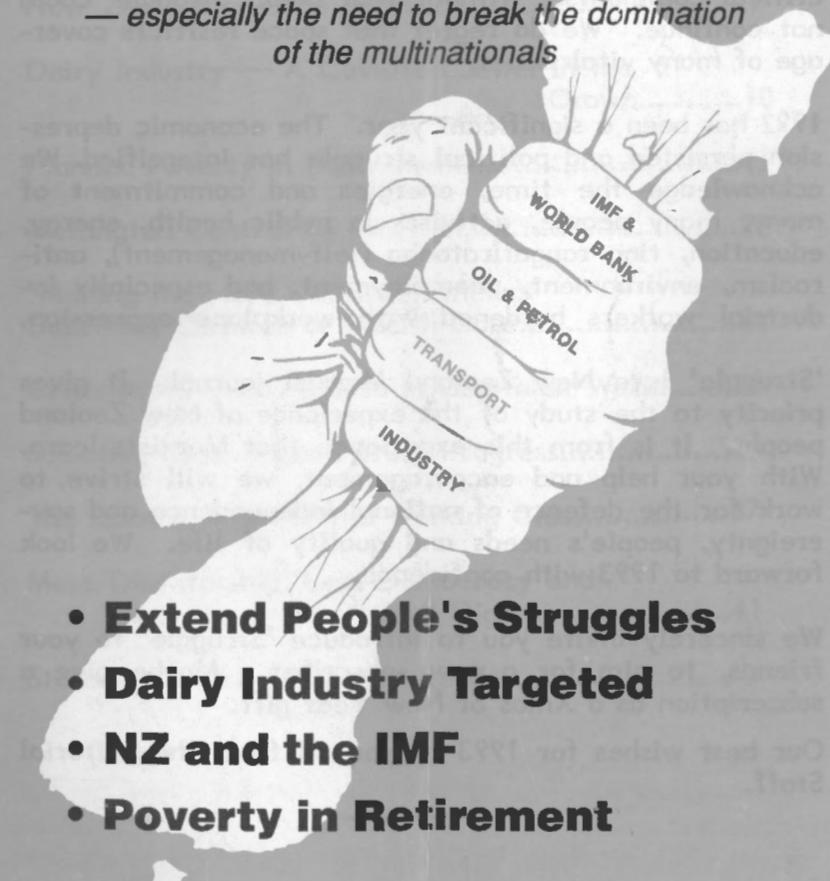


No. 67

**December 1992**

# STRUGGLE

# *A Marxist approach to New Zealand problems — especially the need to break the domination of the multinationals*



- Extend People's Struggles
  - Dairy Industry Targeted
  - NZ and the IMF
  - Poverty in Retirement

**Price \$1.50**

# **Seasons Greetings and Thanks to Readers**

As this issue is the final one for 1992, the Editorial Staff wish to express sincere thanks and warm appreciation for the assistance that has come in many forms — good wishes, finance, news clippings, opinions and critical comments. Without your help, 'Struggle' could not continue. We do regret that space restricts coverage of many vital issues.

1992 has been a significant year. The economic depression persisted and political struggle has intensified. We acknowledge the time, energies and commitment of many, many people, activists in public health, energy, education, tino rangatiratanga (self-management), anti-racism, environment, unemployment, and especially industrial workers burdened with workplace oppression.

'Struggle' is a New Zealand Marxist journal. It gives priority to the study of the experience of New Zealand people. It is from this experience that Marxists learn. With your help and encouragement, we will strive to work for the defence of national independence and sovereignty, people's needs and quality of life. We look forward to 1993 with confidence.

We sincerely invite you to introduce 'Struggle' to your friends, to aim for a new subscriber. Maybe give a subscription as a Xmas or New Year gift.

Our best wishes for 1993 to you all from the Editorial Staff.

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'STRUGGLE' is published quarterly. It expresses the viewpoint of the Organisation for Marxist Unity. Readers are invited to send their comments, contributions, criticisms and press cuttings (with date and source) to the O.M.U., P.O. Box 807, Whangarei.

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## Extend the People's Struggles

Corporate giants and political swindlers are being surrounded by the anger and activity of the people, who have had enough of double-dealing, double-speak, and double-dipping. The hardest blows have been struck against the giant corporations by industrial workers, the paper and pulp workers. Nurses and hospital workers have challenged the Health bureaucrats. In the communities, the defence of public ownership and control of power supply and generation have brought together many hundreds of citizens.

From all these activities a number of significant features have emerged. They provide invaluable lessons. Various sections of the community are finding common ground as they unite to turn back attacks of Big Business and their agents. Members of the middle class, professionals, farmers, even large capitalists, alongside wage and salary earners, unemployed, students and beneficiaries, are putting aside differences to concentrate on their common interests. Where this is done, an effective action unfolds. Where the method of concentrating on differences, or excluding unity with non-working class citizens prevails, activity stagnates.

In all the many-sided activities, from strike struggle to rallies, marches, pickets and petitions, the essential content is one of challenging the plans of the NZBRT, foreign monopoly capital and those who serve them. It is a patriotic, democratic movement whose members increasingly realise they must rely upon their own efforts to influence and determine their future. The hidden agenda of international banks, transnationals and the International Monetary Fund are manipulating the National Cabinet like string puppets who willingly dance in response.

The BNZ saga has become part of the developing national united front in defence of independence and sovereignty. Members of other classes, the small shareholders of the BNZ, have common ground with pulp and paper workers, hospital workers and nurses, in resisting the policies of the IMF and the NZBRT.

Not all citizens realise this as yet, but the understanding is growing. As one asset sale follows another, the people are being taught that there is a move afoot to sell New Zealand lock, stock and barrel. But the going is getting tougher for the political quislings.

#### ELECTORAL REFORM NO-CONFIDENCE VOTE

In the Referendum, voters sent a rocket among the entrenched defenders of the discredited First-Past-the-Post voting system. For 140 years FPP has been a major prop of the two-party monopoly of government. It enabled Foreign Monopoly Capital and Big Business to exercise an uninterrupted stranglehold on the economy as they gave the riding instructions to both Labour and National.

These parties worked to a hidden agenda which conflicted with their election promises. From then on it was all down-hill in popularity. The Chairman of Mobil Oil NZ Ltd., a Mr G Atkinson, (member of the NZBRT) helped give the kiss of death to FPP by supporting it, an indication that foreign capital benefits most from the FPP system. He claimed FPP was simple and responsive. Many electors would say - very responsive - to the needs of the NZBRT.

But MMP — the preferred option — has yet to be approved by legislation. The NZBRT will not accept defeat. They can be relied upon to sabotage the legislation by fair means or foul. As their leading politicians support FPP, the Electoral Reform Movement will need to be alert and vigilant, as will all who voted MMP with high hopes.

Many are hoping that the MMP system will enable the election of parties with different agendas from National and Labour. We believe that whatever party is elected with a majority of seats, the major effort should be put into building the people's movements that function independent of parliament. Their role and influence is decisive, as the history of the Electoral Reform Movement so far shows.

#### THE GREAT POWER ROBBERY

For many decades, 48 Power Boards and their assets have been owned and operated by consumers as non-profit-making enterprises. Members of the Boards were regularly elected and power charges were kept as low as possible. The National Government aims to reverse this situation. The objective is to introduce competition by means of privatisation. Power Boards turn themselves into companies with shares, which may be sold or given away, in preparation for making profits.

Once privatisation rules, it is predicted that the 48 Power Boards will be reduced to 4 or 5 through mergers and take-overs. Once trading in shares commences, it is anticipated that cash-rich foreign investors will gain control. Already, Waikato Electricity has proposed a new company with a 49 per cent shareholding by the American Utilicorp corporation. Overseas investors have been queueing up at the Waitemata Power Board offices.

As in the United Kingdom where power supply was privatised, domestic power bills are expected to go through the roof. They have already started. In preparation for privatisation, the Government demanded the separation of the fixed-line charges from the electricity charge. In the Auckland Power Board area, fixed line charge went up from 23 cents to 60 cents per day. In the Waitemata Power Board area, the charge went up from 40.5 cents to 84.5 cents.

Should the Auckland Power Board be privatised, the (ousted) Chairman Mr John Collinge (who opposed privatisation) predicted that power bills would rise 38%.

In the Waitemata Power Board area, the increase for pensioners is estimated at 34.3 per cent, for solo parents, 25.4 per cent; low income families, 23.8 per cent and for the average family, 18.5 per cent. Those who wish to sell to the highest bidder have an interest in attracting buyers by jacking up the cash flow — which is enormous — at the expense of the consumer.

#### FOREIGN MONOPOLY INVESTORS CALL THE TUNE

The proposed privatisation of the power generation, transmission and distribution assets is a major goal of international bankers, transnational corporations and their reactionary political agents. It is a requirement and key demand of the International Monetary Fund of which New Zealand is a member.

With tongue-in-cheek, the free marketeers claim that competition will lead to cheaper power bills or that prices will be kept in check. All this is utter nonsense, if not fraudulent representation.

The reason why the big corporations are so anxious for privatisation is that THEIR power bills will go down and their profits take off. The supply authority is driven to sign up the large corporate electricity consumers by offering competitive discounts. These discounts are then recovered by increasing the charges to the domestic consumer. In addition, the domestic consumer price is loaded with a margin to provide a profit to the shareholder. The Government is busting its sides to see that the shares are owned by foreign monopoly corporations who are circling around like vultures.

Lenin, in his study of economic activity within monopoly capitalism, such as dominates in New Zealand,

confirmed that competition inevitably leads to monopoly. ('Imperialism - the Highest Stage of Capitalism') In turn, monopoly seeks the maximum profit by exploiting and ruining the majority of the population. (Stalin - 'Economic Problems of Socialism') We are now witnessing at first hand the conclusions drawn by these Marxist writers being played out by the various actors in the power privatisation struggle.

#### CONSUMERS SHORT-CIRCUIT SHARE SALES

To speed up privatisation, Minister of Energy Luxton has required the 48 Power Boards to submit shareholding plans by December 31. These may include various proportions of public, private or Trust shareholding. Power Boards should be turned into companies with "contestable ownership" and "preferably with fully tradable shares". A "fully tradeable share" situation would be most advantageous to the big operators who would act like a whitebait net, scooping up shares from the many low income earners being impoverished by low wages and benefits.

BUT THE CONSUMERS CAUSED AN UPSET. THEY UNLEASHED A STORM OF ACTIVITY. ALL SECTIONS OF THE COMMUNITY GOT STUCK IN, WITH RETIREES IN THE FOREFRONT IN MANY PLACES. Meetings, deputations, rallies, letters to editors, talk-back radio gave blunt messages to Power Board directors, trustees and Central government. Some directors changed their views. In many areas, common sense prevailed. By mid-September, 20 Power Boards had opted for Trust ownership which is subject to a five-year review.

The scope of the consumers' protest was so extensive that Prime Minister Bolger was forced to retreat. He announced that the Government would not force privatisation on Power Boards.

One of the most active campaigns was undertaken by residents of Auckland North Shore. A coalition of 18 organisations formed Public Ownership of Waitemata Electricity Resources.(POWER) A spokesperson, Mr Ken Boon stated that "their biggest concern is that the cost of power will go through the roof".

Retailers have not forgotten the negative effects on their takings of Benefit Cuts. The prospect of substantial increased power charges brings no joy either.

The privatisation of the power generation, transmission and supply of electricity has sharpened the principal contradictions between foreign monopoly capital, its local agents, and the majority of the New Zealand people. In future, if foreign capital gains a foothold, the contradiction between it and the working class will sharpen also as expected redundancies follow.

The isolation of the Government's privatisation plans is significant. In the Waikato, Federated Farmers are very concerned about developments there. In Auckland, one of the most influential critics of the Government's energy proposals is Chairman of the National Party, Mr John Collinge. Previously Chairman of the Auckland Power Board, he lost that position late October. Among other critical comments, he observes that a reliable power supply would be at risk with a privatised body with a profit-making perspective, having in mind this year's power crisis.

The objective of the National Government is to hand over the most profitable generating, transmission and supply assets to foreign ownership which will result in higher domestic power bills and redundancies for staff.

**THE ACTIONS OF THE COMMUNITY COALITIONS DESERVE EVERY SUPPORT. KEEP POWER IN PUBLIC HANDS. KEEP FOREIGN INVESTORS OUT. IF WE DON'T FIGHT, WE LOSE.**

## New Zealand and the IMF

In the "PACIFIC ISLANDS MONTHLY", August 1992, an article by Asha Lakan warrants attention. He comments on the International Monetary Fund/World Bank Structural Adjustment Policy (SAP), and its disastrous effects on those countries that swallowed "the bitter medicine". SAP involves a strategy of export oriented growth, promotion of foreign investments, import liberalisation and devaluation.

Reports from countries in Africa, Central and Latin America show that they "are worse off economically, with serious social dislocations and environmental devastation". In Africa, Gross National Product fell by an average of 2.2 per cent in the 1980s. In Latin America per capita income in 1990 was at the same level as a decade earlier. In Chile real wages have declined 40 per cent since the 1970s. In Mexico 50 per cent of the population is unemployed.

About 1975, the U.S. along with other developed countries feared the emergence of OPEC (oil producers) and other developing countries controlling strategic raw materials. The U.S.-dominated IMF/World Bank spearheaded a counter-attack by linking loans to restructuring. The result was an increasing Third World debt with a flight of capital from the South to the North. Between 1984 and 1990, a staggering \$150 billion was transferred. SAP programmes are today being implemented in over 70 Third World and East European countries.

In this brief summary, Rogernomics, as initiated by the Fourth Labour Government and continued by the

Bolger Government, is identical to the Structural Adjustment Policy of the IMF. Unemployment, changes in labour laws, cuts in social services, the drain of foreign capital investment earnings and the flooding of the domestic market with imports are common in all SAP countries.

For some time now, members of the public have been warning others that successive Governments and the New Zealand Business Roundtable have been working to a hidden agenda. The evidence is mounting conclusively that this agenda has been drawn up by U.S. banking interests and their agency — the IMF.

## Dairy Industry — A Coveted Jewel in the Crown

So far, dairy farmers have successfully maintained a high level of control of their industry. This does not overlook the enormous rake-off by foreign corporations in their supply of fuels, stock remedies and machinery. The production of dairy products, the processing side, and marketing by the Dairy Board are controlled by managements appointed by farmers. Millions of dollars of assets are tied up in modern processing plants.

By 1989, there were some 18 cooperative dairy companies operating 50 dairy factories. The farmer suppliers elect the company directors. On an annual basis, the factories convert some 7 million tonnes of milk into about 800,000 tonnes of dairy products, 700,000 of which is exported. Total New Zealand dairy produce sales revenue was \$2,605 million to 31st May, 1989.

A key role is played by the New Zealand Dairy Board which is the single organisation responsible for marketing dairy produce manufactured for export. The Board

buys export dairy products from the dairy factories and markets the goods overseas. It returns the proceeds to the companies, less costs of administration.

This is well known, but we repeat it in order to focus attention on the plans of the New Zealand Business Roundtable (NZBRT). The NZBRT has prepared a report on the dairy industry. The aim is to break the Dairy Board control of marketing so as to introduce competition and private investment. The long-term aim is to turn farmer-owned dairy factories into privatised corporations in which foreign capital would dominate.

The thinking of the Chairman of the NZBRT was disclosed when he pointed out the advantages (so-called) of the sale of Watties to the giant U.S. octopus Heinz. H.J. Heinz Chairman and Chief Executive Officer, Mr A O'Reilly received a salary package last year amounting to an unbelievably obscene level of NZ\$138.8 million — enough to feed the starving Somalian children and more. Apart from increasing the salary of Heinz's Chairman, Wattie's sale will subordinate a New Zealand industry to the needs of another foreign multinational. Wattie's profits will be shipped out instead of being invested here.

Just as Heinz has been stalking Watties for decades, other corporations have been eyeing the huge volume of sales revenue created by the New Zealand Dairy Industry. The proposals for the Dairy Industry show — just like the sale of Telecom, Postbank, Watties, the BNZ, and (they hope) power and energy — that we are being taken to the cleaners by the NZBRT and their successive governments, National and Labour.

ALL PRODUCER BOARDS, INCLUDING THE DAIRY BOARD, MUST REMAIN INTACT, AND WHERE NECESSARY MORE CLOSELY IDENTIFY WITH THE WORKING FARMER.

# Planned Poverty in Retirement

In 1991, the National Government established a Task Force on the Private Provision for Retirement. This signalled the preparations for the long-awaited attack on public provision for retirement which the New Zealand Business Roundtable (NZBRT) claims is no longer affordable.

The determination of the National Government to respond to the demands of the NZBRT and foreign moneylenders is shown by the extensive programme of activities undertaken by the Task Force. Its nine members are dominated by finance sector representatives and state bureaucrats. Angela Foulkes, Secretary of the Council of Trade Unions, was also a member.

In March/April 1992, seminars were held in twelve centres to "Raise public awareness of issues associated with the Private Provision for Retirement." Conveniently, the question of the PUBLIC provision for retirement was outside the Task Force agenda. However, the need for some public provision as a safety net was acknowledged.

Following the seminars, an extensive consultation took place with the finance sector concerned with retirement. 2,000 people were surveyed and a questionnaire was sent to 12 countries. All replied except the United States, Canada and Denmark. The Task Force then prepared a 300-odd page report, plus shorter versions which featured three options: a voluntary scheme; a tax incentive savings scheme; and a compulsory option.

In September, a further round of meetings was held in the main centres. Some 35 attended in Christchurch and 50 in Auckland. Meetings with representatives of Maori and Pacific Islanders were planned.

The purpose of these meetings was to undermine support for, and reliance on, state or public provision of retirement income. It was argued that the current scheme could not be sustained because of its cost and the ageing population.

In appearance, this extensive effort to consult might indicate a genuine intention to listen to the needs of the people for an adequate retirement income. Not so. The millions of dollars being spent to fund the Task Force are for the purpose of reducing retirement income payments from the State, irrespective of the hardships that this step may cause.

## PENSIONS - HISTORY OF DISTRESS AND STRUGGLE

Only after prolonged decades of suffering, privations and poverty by working people and sections of the middle class falling on hard times, did there emerge a sufficiently strong movement to demand the introduction of State/publicly provided income for the disabled, widows and retirees. By the late 1890s an Old Age Pension scheme was in place. Following the widespread distress caused by the 1929/34 Great Depression, "A watershed document in the history of social welfare in New Zealand, the Social Security Act, 1938 came into force, 1 April 1939." (Govt. Year Book 1990)

The qualifying age for the means-tested old age pension was reduced from 65 to 60. In April 1940, the National Superannuation Scheme started up, the qualifying age being 65, the first payment being made in April, 1940.

In 1946, the Social Security Tax was increased to 7.5 per cent of income. With the passing of the Social Security Act, a non-contributory superannuation scheme — payable to all without the hated means-testing — was established. By 1960, the age benefit and superannuation were paid at the same rate. Those on age benefit switched to superannuation once they reached the age of 65.

But greedy moneylenders and the wealthy were still not resigned to paying taxes, part of which would fund retirement income for those who created their wealth. After growing debate about the cost of superannuation, the Labour Government in 1974 introduced a compulsory contributory scheme — the New Zealand Superannuation Act — which required employees and employers to contribute 4 per cent of taxable income by 1980 to the N.Z. Superannuation Fund, or another approved scheme. "The new fund and increasing private funds were seen as a major source of development finance, although controls to prevent the misuse of compulsorily required capital were also introduced." (Govt. Year Book 1990, P. 211)

This scheme only lasted 22 months, being shot out of the skies by Mr Muldoon among others. They raised the spectre of the Superannuation Fund investing progressively in New Zealand enterprises to an extent that all would become state property — socialism by stealth. In its place, the National Government introduced the non-contributory National Superannuation Scheme for persons 60 years and over, being paid out of revenue, and taxable. The rate of payment was based on average weekly ordinary-time wages.

This current National Government fired the first shot in turning back the whole history of retirement income by extending the qualifying age, in stages, to 65, and freezing the income level. And this is just the beginning.

#### THE OBJECTIVE IS PROFIT — NOT A CARING SOCIETY

"PRIVATE PROVISION FOR RETIREMENT" is double-speak for imposing a new tax.

In 1958, when PAYE was introduced, the former social security tax of 7.5% was incorporated into the general income tax rate. Now, the plan is to force the people to make 'private provision'. Call it what they like —

levy, or contribution or incentive, voluntary or compulsory — the end result is the same...A FURTHER DEDUCTION FROM THE WAGE EARNER'S PAY PACKET. Such a plan is a reversal of the present non-contributory (Their words,not ours) national superannuation scheme.

The second feature of this double-speak is that private provision for retirement means the management of the taxes so collected being placed in the hands of foreign financiers. The Task Force is opposed to a single state-managed fund. The reason for this is found when the amount of money involved is considered. During the 5-year period, 1984/89, some \$18 billion was paid out in National Superannuation. If only half that sum were collected by some form of NEW taxation, the international investors would move heaven and earth to gain control if it.

\$34 billion has been estimated as the capital sum needed to fund a retirement scheme based on THE COMPULSORY OPTION. In order to encourage those who chose not to save, or the 'shortsighted', the present rate of National Superannuation will be reduced. The intention is that the PROSPECT OF AN INADEQUATE RETIREMENT INCOME will 'FORCE' people to save.

The ultimate objective is to transfer everyone into private schemes managed by foreign financiers and funded by each individual, if they are able.

All this amounts to a minority class headed by the New Zealand Business Roundtable using the State apparatus, including parliament, as a means of exploiting the majority of the population to EXTRACT THE MAXIMUM OF PROFITS.



## THE TASK FORCE'S LORD NELSON ACT

In order to change "the attitudes" (Task Force overview, p.13), the Task Force engaged in an elaborate presentation of contributions from its various members, backed by overhead projections of graphs. Two aspects were concentrated on — the ageing population and the affordability of a retirement income scheme. But, with studied indifference, the Task Force ignored the following questions:-

1. **The actual nature of the economy with the excessive draw-off earnings by foreign investors and money-lenders.**
2. **The past unjustified reductions in the tax rates for the corporations and wealthy individuals to 33%.**
3. **The fall in company tax revenue share of tax revenue due to the reduced tax rate and widespread tax avoidance and favourable tax treatment.**
4. **The increase in the productivity at the workplace due to new technology, and more intense work.**
5. **The ability of ordinary folk, 60 per cent of households, to save and contribute to any retirement savings scheme.**

One guess offered was that the Budget would balance in 1997, and that there would be some 100,000 unemployed in year 2000.

## POVERTY IN RETIREMENT

According to 1988/89 Household Income figures, half of all households received an income below \$31,000 per year. For the June quarter 1989, 6 out of 10 Kiwis earned a gross income below \$28,000.

How can these people save and contribute to a Retirement Fund? Out of such incomes, they have to pay tax, rent, rates, mortgage, power, water, car payments, car maintenance and insurance, medical bills, TV fee.

Out of the remainder, there is food, clothing and school fees. One Task Force member acknowledged that the bottom 40 per cent of wage earners would have difficulty in saving for retirement. In the Task Force Compulsory Option, the target sum for funding a person's retirement income is \$137,000. They are living on Cloud Nine.

This assessment has been confirmed by three different surveys: Department of Statistics, the AMP Society, and the Life Offices Association. About half of those between 25 and 44 years did not belong to a superannuation scheme. 5 per cent of Maori had no assets and about two/thirds had no form of super. About 40% of non-Maori had no assets.

The Life Offices survey found the percentage of adults not saving had increased from 25 per cent in 1990 to between 40 and 50 per cent today. This means that a further 25 per cent stopped saving in the last two years. The AMP survey found that over half of all adults were not saving for retirement. Most were women, and those earning less than \$20,000 per year.

**IN FACT, THEY HAVE NO SOLUTION TO THE PROVISION OF AN ADEQUATE RETIREMENT INCOME FOR THE MAJORITY OF THE NEW ZEALAND PEOPLE.**

For the middle class, the Task Force proposes giving with one hand and taking with the other, in order to conceal or sweeten the effect of imposing another form of taxation.

For the wealthy ten per cent, their gain lies in maintaining their low tax rate, and pushing the funding of retirement income for all on to the middle class, the self-employed, the small business sector, and the top income bracket earners among wage and salary earners.

This is being made possible because the wealthy strata dominate the State and parliamentary parties, thereby exercising democracy for themselves, and dictatorship over other classes. When a people's alliance led by the working class establishes its own rule, this precedent of using the State will not be forgotten. Then, the wealthy few will pay, and the people will have the democracy.

#### NEW RIGHT IDEOLOGY DRIVES THE TASK FORCE

Under the Compulsory Option for retirement funding, the Task Force is proposing a 9% tax on assessable income. In the Tax-Incentive Option, the loss of tax revenue may be made up by an increase in GST, according to one finance sector view. Estimates of how hard to turn the tax screw are now raging among prospective fund managers. The Tower Corporation favours some form of compulsion. National Mutual favours tax incentives. The Bank of New Zealand claims that neither of these options is fair, and supports a voluntary scheme.

The essence of the Task Force objectives is to focus on the individual. By cutting the individual adrift from collective, or public-based retirement schemes and attitudes, the full force of the State can then easily dominate and call the shots. This ideology of emphasis on the individual is aimed to disarm the people and allow the introduction of even more exploitative taxes.

For this strategy of the New Zealand Business Round-table to succeed, public opinion will have to be moulded. The Task Force virtually complains that "much work remains to change people's ingrained attitudes, and our work of the last ten months should be seen as the beginning of a long but steady process of change." (Task Force Overview, p.13)

If the Government is not able to change people's attitudes, serious trouble is predicted. The Task Force ac-

knowledges this. "Indeed it is our view that the process of changing people's attitudes is as important as the process of changing the structures currently in place for providing for income in retirement." (Task Force Overview, p. 13)

Overall, the New Right ideology aims to immobilise opposition for the purpose of advancing the class interests of the monopoly capitalists, especially foreign capital. They have as much concern for the individual as a python has for its prey.

#### MAKE THE RICH PAY

The proposed 'Private Provision for Retirement' stands alongside the Employment Contracts Act as a major step in transferring enormous wealth to a few by creating poverty for the many. New Zealand Stock Exchange chairman, Mr D. Wale, states that the "cost of investing in superannuation funds is far too high...costs of 3 to 6 per cent for entry and management fees...the returns offered by some funds was similar to a bank account or worse". ('NZ Herald' 30.9.92)

Like hounds baying for blood, the Auckland Young Nationals (no doubt none of them unemployed) want National Superannuation scrapped.

The last word, however, will be said by the majority who will be seriously affected by the proposed changes. The politicians, with their usual deception, may leave decisions about the Task Force proposals until after the 1993 general elections.

Low income earners, women, Maori, the youth, unemployed, all beneficiaries, Polynesians, self-employed, many small business people — will all be seriously affected. The retail sector and the economy generally will face further difficulties as retirement taxes reduce spending money. With the private management of retirement funds, foreign fund managers will invest over-

seas instead of in New Zealand where jobs are sorely needed.

In our view, there are ample funds in New Zealand to sustain the present National Superannuation scheme. Sources for funds:-

1. Increase the individual top tax rate from 33% to 40% on incomes in excess of \$50,000 per year.
2. Increase the tax on big corporations from 33% to 40%.
3. Increase the tax on big non-resident corporations from 5% to 10%.

DEFEND NEW ZEALAND INDEPENDENCE

DEFEND NATIONAL SUPERANNUATION

INCREASE TAXES ON THE MULTINATIONALS

MAKE THE RICH PAY



"I don't see how we can abandon  
greed. After all, it got us where  
we are today."

## Wellington Central By-Election

In considering who to vote for, 'Struggle' bases its view on the level of understanding of the electors, the degree of their support for the Labour Party, the parliamentary system and the strength of the people's organisations independent of parliament.

In the 1990 elections, we favoured the re-election of the Labour Government because, during its previous terms, more people than ever before became convinced THROUGH THEIR OWN EXPERIENCE that a Labour Government gives priority to Big Business. A further term would have been disastrous for the Labour Party. The reason for this view is that the people who have been deceived by the Labour Party for so long need to learn from experience. There is no alternative to this.

Since then, however, a new development has emerged. The Alliance has been formed, with a policy closer to the wishes of the people. In this election a vote for the Alliance would be the most effective demonstration of opposition to the sale of New Zealand's assets and the influence of foreign interests.

While the Labour Party will claim that it has "learnt its lessons", the reality is that it still aims to serve Big Business. It will propose a 'negotiated economy' and three-way agreements between the Government, the Employers, and the Council of Trade Unions. Big Business will not buy into this unless agreements of wage restraint can be imposed/forced on wage earners. The CTU will be relied upon to deliver their members.

The second reason for taking the people's understanding as a starting point is that we stress that priority of time and energy be given to building the community organisations and national movements independent of Parliament. While the majority of the people have faith in Parliament, further experience is needed for them to acknowledge that it serves Big Business and they must rely upon their own efforts by building strong organisations outside such as grass-roots councils and mass organisations of struggle.

## Class Struggle and the Ozone Layer (Contributed)

What have these things got to do with one another? One must say "Everything". The solution to the hole in the Ozone Layer and its greenhouse effect is absolutely and entirely dependent on the success of the other. This does not mean that we should ignore the Ozone hole and its greenhouse effect and work only for class struggle and revolution. To do so would mean that we would be having great success in a world that no longer exists. The solution of either can only be solved with the success of the other.

Not all scientists will agree that the hole in the Ozone is something new. But all will agree that our life-style is adding dangerous levels of CFC to the atmosphere which, in turn, is making the existing 'hole' bigger. This, in turn, allows those unfiltered ultra-violet rays to vent their full force on our naked and unprotected home which we call "Earth".

It does not take much working out to know that the larger the 'hole' grows, the faster life on this planet diminishes. Twenty years ago, it was thought to be about two hundred years. Now there are those who suggest that, unless something is done immediately, we have only twenty to fifty years left. It is thought that even if drastic action is taken and applied

now, it would take two hundred years for the healing process to begin.

How did we get ourselves into this mess, and what is its primary cause? Regardless of what one's politics are, the fact remains that it is only through and because of the Capitalist mode of production that this problem exists and threatens all plant and creature life here on Earth.

The industrialists, by denying any financial or moral responsibility for the pollution of our earth or the atmosphere, do in fact bow down to the God of Profit. Capitalist governments promote economic growth on behalf of Invested Capital. Thus they perpetuate with the pollution of our planet. Vast areas of the Earth's forests and face are being destroyed daily; yet it is vital to the world's people. These things are being done in the name of "Profit".

The great industrialists, with their battalions of advisers and the Governments of the world with their multitudes of experts, their commissions of enquiries, their abundance of libraries in their hallowed halls, will not, and cannot, offer any solution to the terrible disaster that is surrounding and engulfing us. These people have limited intelligence and no sense of responsibility. It is not their fault. They, like us, are products of the social order we live under, the difference being that they are at present the dominating class. To give these people and their governments our confidence and trust is to commit an unforgivable folly.

There are those who subscribe to the thoughts that environmental and ecological concern is only a diversion, while others express the opinion that Nature has a great ability to repair and heal itself. This is utter foolishness. Nature can never heal or repair itself. It can only be done by people.

The opportunity to work for a united front in this area is great. We MUST use it. We cannot tell the rest of the world what to do, but we can and must do it here in New Zealand. We can lead by example. There is no other way.

The writer admits to only a limited knowledge of the subject but this should not detract anyone from recognising the truth of the matter.

The Contributor says that a book splendidly written by three specialists in this field is entitled "Unsettled Outlook". ('N.Z. in a Greenhouse World').

## "Making the Hard Decisions" means depriving Children of Health Care

Prime Minister Bolger attempts to find excuses for the declining public support by saying "We had to make hard decisions". But who benefitted from those "hard decisions"?

Even though more families are under stress, need an emergency home, or are in crisis, the Department of Social Welfare (DSW) has chopped its grant to the Governors Bay Cholmondeley Children's Home, Christchurch, from \$100,000 in 1990 to \$27,600 this year. While the Minister of Social Welfare Shipley lives it up in Sydney in \$700 a night accommodation, distressed children are deprived of this help. The funding is to cease altogether.

Obviously, the 'Decent Society' promised by the National Party does not include care for children. According to Professor Teele (Paediatrics), director of Christchurch Hospital Children's Unit, the Unit is seriously

under-staffed and under-funded. This situation reflected the low priority of children's health in New Zealand. "It is a tragedy and unnecessary in what is a civilised country". "Someone has to decide kids are more important than sheepdogs", he said. ('Press' 5.9.92)

When profit and privilege rule, even premature babies cannot escape. At the Christchurch Women's Hospital neo-natal unit, babies have had to be transferred to other cities because of over-crowding. Dr Brian Darlow, a senior lecturer there, stated that births have increased by 10 per cent in five years, but there has been no increase in resources. "We are being asked to do more for less money". ('Press' 4.9.92) In the intermediate nursery, two nurses were looking after fourteen babies. True, the hospital is spending \$500,000 on expanding the neo-natal unit, but there will be no money for more incubators. This has concerned two Christchurch mothers so much that they have started fund-raising for more. At least 10 new \$15,000 incubators are needed. To help out, the nurses are organising a Ball. At least, the Health bureaucracy is thorough when applying the user-pays money grab.

The presence of the unborn child has enabled the Canterbury Area Health Board to charge women without a Community Service Card up to \$40 plus GST for an eight week programme when attending ante-natal classes. These classes play a valuable role in preparing women and their partners for labour, birth and baby-care practices. The advice of the Board's Women's Advisory Group was ignored.

At the new Starship Children's Hospital, Auckland, a special unit for teenagers has been closed, causing distress to regular patients and their parents. This move has been described as a tragedy by the Chairman of the Auckland Children's Hospital Trust, Dr Paul White. He has stated that more facilities and services are needed, not fewer. "It is too often the case that those with the least clout in the community,

in this case the kids, should be made to bear the brunt of the funding reductions". ('NZ Herald' 1.10.92)

Until the people get organised, those who possess the most 'clout' — the Myers, Trotters and Spencers — are going to use their monopoly of political power to enrich their class at the expense of ordinary folk and their children.

## HEALTH SERVICES FOR PROFIT

The objective of the New Zealand Business Roundtable (NZBRT) which is composed of both local and foreign Big Business representatives is to demolish the free public health system, lock, stock and barrel. The initial step was taken by the Fourth Labour Government when a Roundtable member, Mr Alan Gibbs was commissioned to prepare a report on the Health System. Due to widespread opposition, action on the Report was delayed. With the election of the National Party (the other string to its bow), the New Zealand Business Roundtable is now much further down the track. Among the methods being used to achieve their ends are:-

1. Reducing public health services - the role of Core Health and Disability Support Services Committee chaired by Sharon Crosbie, is to recommend a minimum number of services that could be provided with little or no cost to hospitals. If treatment is required over and above that minimum, the user pays or goes to a private hospital or goes without.
2. Reduction of hospital staff numbers, wages and salaries.
3. Introduction of user-pays.
4. Privatising of health services wherever possible.
5. Use of private contractors.
6. Stricter funding control by central government.

## 7. The establishment of a health bureaucracy committed to Government and NZBRT objectives.

In the area of ideology, attitude and opinions, the NZBRT and its politicians are attempting to win public approval for wrecking the public health system by claiming it is costing too much, that the public are not getting value for money and that it is inefficient.

Facts show that, with the new bureaucracy firmly in place, costs in the administration area are enormous. Public examination is needed of the following:-

1. The cost of over-centralised administrative structures.
2. The cost of brand name pharmaceutical goods and medical equipment at twice the cost of generic high quality drugs.
3. The cost of circumstances surrounding the purchase and installation of the Auckland Area Health Board computer network.
4. The employment of consultants.
5. The rising proportion of administrative staff to 'hands on' staff.

In the political area, the National Government demolished the former publicly-elected Hospital Boards, thereby further alienating the people from a more direct involvement in hospital administration. In its place, a carefully chosen, self-serving bureaucracy has been established. In the Auckland region, with four large hospitals, it is estimated that 1200 'responsibility centre managers' are employed, along with hundreds of lower strata colleagues. Needless to say, the more managers, the higher the costs. Simultaneous with the growth in administrative staff has been the introduction of new computer centralised administration. For the Auckland Area Health Board, a company, Paxus has contracted to provide daily up-to-date information on patient admis-

ions, discharges and conditions. 42 page print-outs have replaced the former single-page bulletin. One Chaplain received upwards of 200 computer forms per week.

Contracting out is a form of privatising by stealth. Work may include laundry, cleaning, catering and security. In Christchurch, an Australian-based firm, Tempo Cleaning Services has offered to take over (at an attractive price, of course) the management of orderly, ward aid, food, beverage, and meals deliveries, security and car parking services.

When hospitals are turned into Crown Health Enterprises (CHEs) they "will be required to earn a rate of return (or surplus) on their assets". (Mr East, Minister of Crown Health Enterprises, 'Struggle' No.66, p.31)

Since many smaller hospitals will not qualify as profit making Crown Health Enterprises, the CHE in the region will be pressured to close them. As the United States has much experience in wrecking public health endeavours, the Government regularly consults with the U.S. bank, CS First Boston in Wellington. Its advice to the Government regarding these smaller hospitals — if the communities affected want the smaller hospitals, make them pay for them. It is newsworthy that this recommendation was first deleted from its report and was only obtained on appeal to the Ombudsman.

We may ask, who needs enemies when we have U.S. corporations advising the Government on how to slug New Zealand citizens.

#### NURSES LEAD THE FIGHT-BACK

In an historic and unprecedented display of determination and unity, nurses and hospital workers have taken to the streets in rallies, protest marches, pickets, one-day strikes and stop-work meetings. There has been mounting anger at the cost-cutting proposals of Area Health Boards. In their previous wage round, between

70 and 80 per cent of Canterbury nurses had suffered wage cuts. They have been fighting to hold on to current wage rates. Hospital Workers' Union spokesperson, Graeme Young, reported that hospital workers, orderlies, cooks and cleaners faced at least \$50 per week pay cuts, some as much as \$113 per week from the Health Board's offer. In their public demonstrations and rallies, they have been supported by families, former patients and the public.

As former patients, members of the public are registering their protest against the user-pays health system by refusing to pay hospital charges. Since February 1992, 42 per cent of the hospital charges billed nationwide remain unpaid. ('NZ Herald' 7.10.92)

A 200 mile gap did not stop a group of citizens from supporting Taranaki nurses in their struggle. These citizens arranged bookings at the Motel where the imported staff were billeted — and later they cancelled the bookings in protest.

At the Burwood Hospital, Christchurch, surgeons decided to stop joint-replacement surgery for two weeks because post-operative supervision had "fallen below acceptable levels of patient safety". ('Press' 5.9.92)

The rundown of the public health system is affecting everyone. Only the wealthy remain unaffected. As the nurses and hospital workers have shown, determined united action must be relied upon if wage levels, job conditions and health services are to be prevented from even further reductions.

#### KEEP THE PROFITEERS OUT OF PUBLIC HOSPITALS

The actions of the nurses and hospital workers have been justified in resisting wage cuts. Reducing wages and salaries is part of the plan to privatise the public health system. As part of the worsening crisis in the system, services are being reduced. More closures

are planned. Charges are being imposed. Highly-paid managers supervise wage cuts and increased work loads. Wards are closed. Nurses become unemployed. Some are forced to emigrate. Rural district services face closures. Where staff make cost-cutting proposals, requests for equipment maintenance and controls on infection-spread, they are ignored. In 1990, the hospital waiting list totalled 58,560. It has now increased to 64,717, despite an election promise.

The health of over 500,000 citizens — the unemployed and their families — is in danger. Dr Tessa Turnbull, Royal College of Medical Practitioners states that "Internationally, there is no doubt that unemployment, poor health, and early death go together. This major social and health problem should be top priority for all politicians in this country". ('Press' 21.9.92)

A major lesson of the nurses' and hospital workers' campaign is that their own united efforts brought forth a corresponding response from former patients and the community. It is clear that a majority is opposed to a health system based on the ability-to-pay, and do support a free public health system. Once CHEs are up and running, efforts will be made to close smaller hospitals, especially in rural areas. Already Oamaru and Hokitika have made magnificent efforts to defend their local hospitals.

Citizens from different classes and class strata, such as farmers, rural workers, business people, urban middle class as well as nurses and hospital workers, have common ground. To meet the expected further attacks, the united action displayed by nurses, health professionals and hospital workers needs to be extended to involve all those affected.

In our view, the fundamental problem in the health system (as in other areas) is that the nurses, hospital workers, professionals, patients and the public do not possess political power. They have no authority, power

or mana. They are ignored. The views of the majority are ignored. If they had political power, power to make decisions, would they reduce services, force pay cuts and the like? Of course not.

At present, the small class centred in the NZBRT, led by foreign capital interests, holds political power. Its minions, Labour and National, hold parliamentary office. It is no accident that an American Bank, CS Boston Wellington is a major consultant (advisor) of the National Government.

Because of their dominant role, the NZBRT members have to be defeated if the future of the health system and nurses' and hospital workers' incomes are to be secured.

Recent events have confirmed that the potential is there for building a national democratic alliance of various classes, with the working class playing the leading role. It is both possible and essential. By their very actions, the people — nurses, hospital workers, professionals, urban middle class and rural communities — have created this movement. With the further development of the national democratic movement embracing all its components — employment, retirement income, *tino rangatiratanga* (self-management), peace, environment, civil and trade union rights — political power can be taken out of the hands of Big Business, foreign and local.

Once political power is in the hands of the people's democratic movement led by the working class, the restoration of a free public health system will be possible. Towards that end, finding common ground among all those affected by and opposed to the wrecking of the health system is an immediate task.

# Crisis of over-production Engulfing Capitalist World

Major capitalist countries, including New Zealand's trading partners, are in the grip of a deepening crisis of over-production. It is accompanied by crises in agriculture, currency and social affairs. There is a very real possibility that the present crisis may be worse than the 1930s, if not more protracted. The implications for New Zealand will be enormous as foreign trans-national corporations and banks will squeeze the last drop of profit out of the Kiwi economy.

In JAPAN, after eleven consecutive monthly falls, August 1992 industrial production was 7.6 per cent lower than August 1991. Consumer spending and capital investment have been weak. Domestic vehicle sales have fallen to the lowest level in 12 years. Toyota, Nissan and Honda are running unprecedented single shifts. Nissan expects its first profit loss in the year ending March 1993. Ten per cent of Japan's industrial workers are employed in the motor industry. Vehicles account for 22 per cent of Japan's exports. Nissan plans to reduce its workforce by 4000 over three years.

One study of the Japanese car industry claims that there is an excess of car-making capacity, and most of it is less competitive than in the past. Both the capacity and exports will have to be cut. The Japanese have also lost three advantages — lower labour costs (\$16 per hour compared to \$14.60 plus in the USA); lower capital costs (cheap capital is no longer available); and just-in-time delivery. Congested roads have created transport delivery problems.

In New Zealand, Workplace Reform advocates have held up Japan as a model, especially in the car industry. There has even been a theoretician or two claiming that

the economic crisis is a crisis not of over-production but of productivity. Japanese car workers would not wear that one and neither should Kiwi workers.

In the UNITED STATES, there is a worsening economic, political, social and financial crisis. For the year ending September 30, 1992, the gap between Government income and expenditure is approaching NZ\$610 billion. In the currency area, should the value of the U.S. dollar continue to slide, one option will be to raise the interest rates to attract more foreign capital inflow, to counter the balance of payments deficits. In addition, U.S. private debt is in the \$4 trillion league.

A third crisis area is in agriculture where there is a surplus of wheat and feed grain stocks. In order to pick up votes, President Bush offered to subsidise the sale of 29 million tons of wheat. Contrary to the GATT round proposals on free trading, the U.S. plans to sell almost one million tons of wheat to India with a subsidy of \$33 per ton. It is also pinching other markets from Australian wheat growers.

These actions of President Bush typify the self-interest of the United States monopoly capitalists whose main concern is for maximum profits whatever the cost to others. Apart from being the largest debtor nation in the world, the U.S. is the biggest merchant of death and destruction. It leads the world in the sale of weapons, a staggering \$63 billion worth being authorised by the U.S. Government in 1991. Of the 142 nations which buy U.S. weapons, 59 are authoritarian governments. "U.S. weapons manufacturers actively promote the sale of their products to foreign nations irrespective of human rights abuses, type of government or aggressive action against foreign states". ('The Defense Monitor' No.5, 1992)

As the U.S. economy becomes more entangled in its own insoluble contradictions, and the people's fight-back spreads, the billionaires will move to a more openly dictatorial form of government. The Presidential can-

dicate Mr Perot reflected this development.

In New Zealand, the pro-U.S. clique in the National Party led by Bolger-McKinnon-Richardson is determined to involve the New Zealand people in actions advantageous to U.S. imperialism. They include joining the North American Free Trade Agreement and a resurrected ANZUS.

In EUROPE, there are a whole range of problems, including budget deficits, and surplus agricultural produce. In Germany, the cost of German unification has led to growing budget deficits and a fear of inflation. So the German Central Bank increased interest rates to a level that was regarded by the International Monetary Fund (IMF) as extremely high. Holders of US dollars, British pounds and Italian lira rushed in to exchange their funds for German Marks. Panic in the currency market took over. The value (the purchasing power) of the US dollar, UK pound and Italian lira fell sharply. To stop the British pound free falling, the Bank of England spent NZ\$13 billion, or 15 per cent of its reserves to prop up the value of the British pound. The British Finance Minister had interest rates going up and down like a yo-yo, up to 15 per cent and down to 12 per cent twice. The US dollar value fell and is now giving the bankers further headaches.

The British economy is in real trouble, indicated by the proposed sacking of 30,000 miners and 31 mine closures. Tremendous demonstrations of anger forced the Tory government to back off — 10 pits to close immediately — the fate of the rest 'postponed', but the struggle will be continuing.

Economic crises in turn worsen all other crises. In the "new economic order" all countries, whether big or small, rich or poor, should be heard equally. Present and past methods of international trading, grabbing markets and resources, and selling dear and buying

cheap by the developed countries, are creating havoc among developing countries. Some forty countries are getting poorer while many small nations, including New Zealand, cannot compete with subsidised exports. Recently, the European Community increased export subsidies on butter by US\$125 per tonne, US\$170 for butter oil, \$140 for wholesale milk powder, and \$195 per tonne for cheddar cheese.

Instead of trailing the coat-tails of the U.S. State Department and trying to get into bed with U.S. bankers, New Zealand representatives must strike out in an increasingly independent path in our trading relations. The first step is to recognise that the present GATT proposals, nominally espousing so-called free trade, are nothing but devices to break down all barriers protecting the sovereignty and independence of small nations for the benefit of U.S. transnational corporations.

## Socialist China Plays Future Progress

In October, delegates from the fifty million membership of the Communist Party of China assembled at their 14th Congress. As the vanguard of the Chinese working class, the Communist Party had the responsibility of summing up socialist construction in the last 14 years especially, and approving the guidelines for future development.

The main emphasis is on developing the productive forces at a rapid rate, raising living standards, and demonstrating the superiority of socialism. The target of quadrupling the Gross National Product between 1980 and 2000 will be achieved. The current target of an annual growth rate of 6 per cent in GNP is to be increased to 8 to 9 per cent. This is because of favourable factors both internally and externally.

This new target will mean that China, with the largest population in the world, will continue to have the fastest rate of growth of all major powers. The guarantee of such progress is the dominant role of the public sector in the economy and the possession of political power by the people led by the working class.

The rapid development in recent years did not come about by accident. Some ten years previously, a major debate took place, the subject being that practice is the sole criterion for judging the truth. This debate shattered the 'personality cult', the worshipping of book-learning and quotations, all of which divorced thinking and policies from reality.

The 14th Congress re-affirmed what the Chinese Party call the Four Cardinal Principles — keeping to the socialist road, the people's democratic dictatorship, the leadership of the Communist Party of China, and to Marxism-Leninism-Mao Zedong Thought.

Recent practice has shown that by carrying out economic reform, opening to the outside world and utilising all possible factors a rapid rate of development arises. Pay is based on the socialist principle of according to work done rather than the previous system of guaranteed pay unrelated to quality or quantity of output.

The Congress also recognised the many problems and challenges still to be overcome. Reflecting the stability in China, the Congress was marked by its unity.

**STRUGGLE** expresses the viewpoint of the Organisation for Marxist Unity

## The Leading Role of the Working Class

Big Business really despises the workers. And it also fears their latent power. The possibility of their deliberately forging alliances with other classes breaks the Business Roundtable (NZBRT) into a cold sweat. They realise they are sitting on a 'time bomb', even though they monopolise economic and political power. Driven by necessity to seek maximum profits, no matter what the social effects, they nevertheless fear the response of the people. They know they are out-numbered. Should the majority unite against them, their defeat could be delayed only by their violence against their opponents. Their top priority is to preserve their 'right' to profit from the labour of others. Logically from their standpoint, they expend huge resources and energies in creating divisions and elaborate deceptions.

According to the ideology of the millionaires, the real 'heroes' are those who grow rich from exploiting the working people, the producers. Demands for more work for less pay are accompanied by claims that "it is for the good of the country"; "to make New Zealand more competitive internationally"; or to give wage earners more "freedom" or "choice". When benefits and health services are cut, the people are told "we have been living beyond our means", or "the country was bankrupt". The fact that such views conceal greed for ever-increasing profits is denied.

Adding to this climate of increasing exploitation, some university academics claim that the working class is disappearing, creating doubts and uncertainty about the political role of the working class. Not to be left out, Labour politicians contribute their views — workers should cooperate in a negotiated economy, tripart-

ite agreements and workplace reform. In other words, accept the domination of Big Business and like it.

As distinct from these viewpoints, Marxism has a clear, logical and scientific standpoint. Marxism draws conclusions from centuries of historical development.

Because the production of food, shelter and clothing is the primary and basic activity of any society, the producers are the most important people. At a certain stage in human progress, private ownership of wealth (property such as slaves, land, cattle) evolved. These property owners (the slave owners), although a minority, increased their wealth by exploiting their slaves (the majority). In the course of historical development, the slave-owning society was replaced by feudalism. Later by capitalism. In each society, the slaves, serfs, and wage earners, came in conflict with the property owners: first the slave owners, then the feudal land owners, and today, the monopoly capitalists.

19th Century historians observed from their studies that history was essentially a history of class struggle. While accepting this truth, Karl Marx recognised the logical development of class struggle. Capitalist society, too, would be replaced as had previous economic formations. The new society, socialism, would be established by the working class.

As producers, the working class is linked to modern industry. Suffering the greatest exploitation, it has a real interest in ending the rule of Capital. The working class, because it is concentrated, develops a sense of organisation through its experiences in class struggle and production. It is capable of enduring great sacrifices and discipline. No other class has these features. This is the basis of the Marxist claim that the working class has the historic mission of uniting all who can be united to defeat the rule of Big Business, and to discover the path to socialism appropriate to its situation.

Within New Zealand, non-monopoly capitalists, medium and small capitalists, sections of the middle class in all branches of the economy, small farmers, self-employed, as well as the broad ranks of the labouring people employed and unemployed, form the majority. The struggle of the Maori for *tino rangatiratanga* (self-management) provides a distinct feature to the democratic demands of the people.

In alliance with sections of other classes, the working class will be able to defeat the rule of Big Business. Without that help, the working class will remain isolated and ineffective. When Marxists talk of the leading role of the working class, they see it building alliances with other classes for mutual benefit. The working class should take the initiative to unite all who can be united. This unity develops through experience.

From small beginnings, the working class links up with other classes on specific issues where there is common ground. Through repeated experience other classes come to recognise the importance and benefits from uniting. For its part, the working class too gains experience. Leaders are developed who are trusted and capable of uniting people. Even members of the working class have to gain confidence that it is their historic mission to play the major role in defeating Big Business rule.

There are tendencies within the Labour movement which deny the leading role of the working class. Class collaboration accepts the subordination of the working class to the demands of the NZBRT. This was seen with the refusal of the CTU leadership to challenge the Employment Contracts Act with industrial action. In the trade union movement, too many splendid industrial struggles are confined to the members involved. The community and even other workers are ignored.

Another trend claims that the unity of the working class alone is sufficient to defeat Big Business. This narrow view which excludes the discovery of common ground with other classes, actually denies the leading role of the working class. The representative of Russian middle class intellectuals, Trotsky, tried to persuade the Russian Bolsheviks to adopt this in the 1920s — unsuccessfully.

"Leading" does not mean dictating, or excluding, or monopolising, or being more revolutionary than everyone else. "Leading" relies on persuasion and finding common ground. Building principled relations with representatives of other classes and their organisations (where there is common ground) should become standard practice. When so-called 'backward' workers observe the developing unity between the workers and other classes, they too become more supportive. There is a positive interconnection, whereas the go-it-alone-theory excludes the possibility of winning over the so-called 'backward' sections.

Currently, the situation for finding common ground among various classes suffering from the expansion of Big Business and Foreign Monopoly Capital is most favourable to the working class. Practice and action are proving this. Members of various classes are supporting Electoral Reform, an Inquiry into the Bank of New Zealand, the defence of a free Public Health system, and the retention of public control of electricity supply and generation.

The further development of these struggles is, to a degree, dependent on the study and guidance of the science of class struggle — Marxism. Without the working class making its contribution as a unifying force determined to unite all who can be united, Big Business may escape due punishment.

## More Dictatorship, Less Democracy and Civil Rights

The National Government is becoming increasingly isolated. It has alienated more people from decision-making. The election of Hospital, Power, and Harbour Boards has been scrubbed. The people can't be trusted. They are an obstacle to the purchase of public assets following privatisation. In the Waitemata Power Board area, 18,000 citizens signed a Petition for community ownership.

Government decision-making is monopolised by a small group, the Cabinet, in which millionaires predominate. And that in a government elected by a minority. This is not democracy but an elective dictatorship.

The momentum of people's anger is extending. In the same week that well-attended meetings were held in Wellington by Bank of New Zealand shareholders, and in Auckland by citizens opposed to sell-off of power assets, a member of the Prime Minister's office allegedly threatened to close down a talk-back radio station, Radio Pacific. This is a sign of arrogant desperation, of restriction of a democratic right to express one's views. It recalls the incident in which the conservative government of 1935 arranged for the jamming of "Uncle Scrim's" (Mr Colin Scrimgeour) Friendly Road radio station.

As a consequence of the betrayal of the country to U.S. corporations and other profiteers, restrictions on democratic rights and civil liberties must be expected. They will be used against the people challenging the rule of capital. There is a proposal by the Law Commission to give the Police the right to arrest a person for questioning for a period of four hours, with an extension by Police for another four hours and yet

another 24 hours if approved by a District Court Judge. This means that a person could be detained for 32 hours without a charge being laid, which would seriously undermine the long-established practice of being charged and brought to trial as soon as possible after being arrested.

If this proposal is enacted, then the Police could use it to disrupt all sorts of legal activity such as picketing, trade union activity, or speaking engagements. A leading criminal lawyer, Mr Peter Williams likens it to fascist-like legislation. Detention could be used to intimidate a person or force a confession.

However limited, every democratic, civil and legal right must be defended. Equally, every fascist-like erosion of our rights must be resisted. The tactics of the ruling class are quite insidious and every worker and democratically-minded person must be on guard, now, and in the future. Capitalism cannot exist without repression.

## In economic crisis, the ruling class reaches for its batons

It says quite a lot that while only \$814 million is spent on community services in the 1992-93 NSW State Budget, just on \$3,000 million is spent on law and order.

That includes \$974m spent on police and \$220m on prisons.

The courts get \$146m for their day-to-day running costs and the Independent Commission Against Corruption, \$13m.

The \$3,000 million spent on law and order represents a 60 per cent increase since 1988. Community services spending is up 8.5 per cent this year.

Helping people is getting one dollar for every four belting them gets.

Get the idea where the priorities lie?

Australian "Vanguard" Sept 1992

## Stalin — A Great People's Leader

Stalin has always been attacked with bitter hatred by the imperialists. But over several decades now, Stalin has become the subject of vitriolic attack from many within the Communist movement.

History, however, shows that an attack on Stalin has been preparation for attacking Lenin and the scientific teachings of Marxism. What started as an attack on Stalin in the former Soviet Union ended with the renunciation of the fundamentals of Marxism which finally led to the collapse of what had been the first socialist state.

It is therefore appropriate to mark the anniversary of the birth of Stalin in Georgia on December 9th, 1879. From 1923 to his death in 1953, Stalin led the Communist Party of the Soviet Union, the Soviet working class and Soviet State and people in socialist construction in establishing the first state under working class rule. Prior to this period, he fought against Tsarism and became a member of the Bolshevik Party leadership headed by Lenin. He was an active leader in preparing for the October Socialist revolution and in defending that revolution from the invading armies of the imperialist powers. In this revolution, the Russian working class made history. For the first time ever, the capitalist class had been overthrown. Instead of rule by a minority, state power was now in the hands of the majority — the worker/poor peasant alliance, led by the working class.

Soviet industry and agriculture were modernised at great speed, beginning with the First Five-Year Plan in 1929. There were also notable advances in health, education and housing. The 1936 Constitution marked

progress in the political rights of the Soviet people to a level not matched by the spurious democracy of the Western countries. At the time of the 1930s Great Depression with unemployment, falling production and growing poverty in the capitalist countries, the Soviet Union was likened to one great construction site. The impact on the international working class was enormous.

This rapid rate of development — never before witnessed in history — was made possible because the people understood that they were the masters of their own country. An end had been put to capitalist exploitation. The sacrifices made by the Russian working class and people could only have been endured because they were building for their own benefit and not someone else's profit. This, combined with Stalin's firm opposition to imperialism engendered the infinite hatred of the capitalists.

Prior to 1917 and in the years following, Trotsky repeatedly attempted to undermine the leadership of Lenin, and later Stalin, and to deny the possibility of building socialism in one country. His view was that Russia would have to wait for the direct assistance of the working class in Europe. Trotsky represented a section of the middle class intellectuals who had no faith in the working class and its ability to establish and lead an alliance with other classes. Stalin led the struggle against this line and inspired the Soviet Party and people in socialist construction.

By the mid-1930s, the tense internal struggle including sabotage was accompanied by an increasingly obvious threat of a new war. Under Stalin's leadership the Red Army and the Soviet people bore the main burden in defeating the Nazi invaders. Despite enormous losses, the Soviet people set about restoring their country and economy.

In the course of building the first workers' state power with no blueprint, there were bound to be mistakes. Stalin did make mistakes. In the opinion of "Struggle", Stalin lacked a deeper understanding of Marxist philosophy, viz. the basic law of the struggle and unity of opposites. This led him to make serious errors. One of these was to suppress opposition. He or his subordinates failed to distinguish two types of contradiction — those with the enemy, and those between friends. He failed to see the possibility of winning over those with differing views, or even of transforming those under the influence of counter-revolutionary views through ideological debate and struggle. At times he also ignored the collective, made personal, arbitrary decisions on important questions. In carrying out wrong policies, he actually thought he was defending the workers' interests. But, unlike his successors, his mistakes were not those of revising Marxism, nor of preparing for the dismantling of socialism.

Stalin's name will always be associated with the defense of Leninism, with the 5 Year Plans, the 1936 Soviet Constitution, and the great victory of the Soviet Red Army and people in World War II.

When considering his whole life, and the times he lived through, including imperialist encirclement, it is his positive contributions which stand out.

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#### OUR GRATEFUL THANKS FOR THESE DONATIONS.

M \$20, Mel \$40, Jay Dee \$30, Ron \$10,  
J. Gee \$9.80, TC \$10, Jackie \$50, Tony  
\$30, M \$10, Ken \$1.50, Don \$4, Joy .50,  
AC .50, Tom .50, JD \$3.50, Terry \$20, JD  
\$10, Ron \$10, Mel \$30, J. \$10, A. \$20.  
**Total: \$320.30**