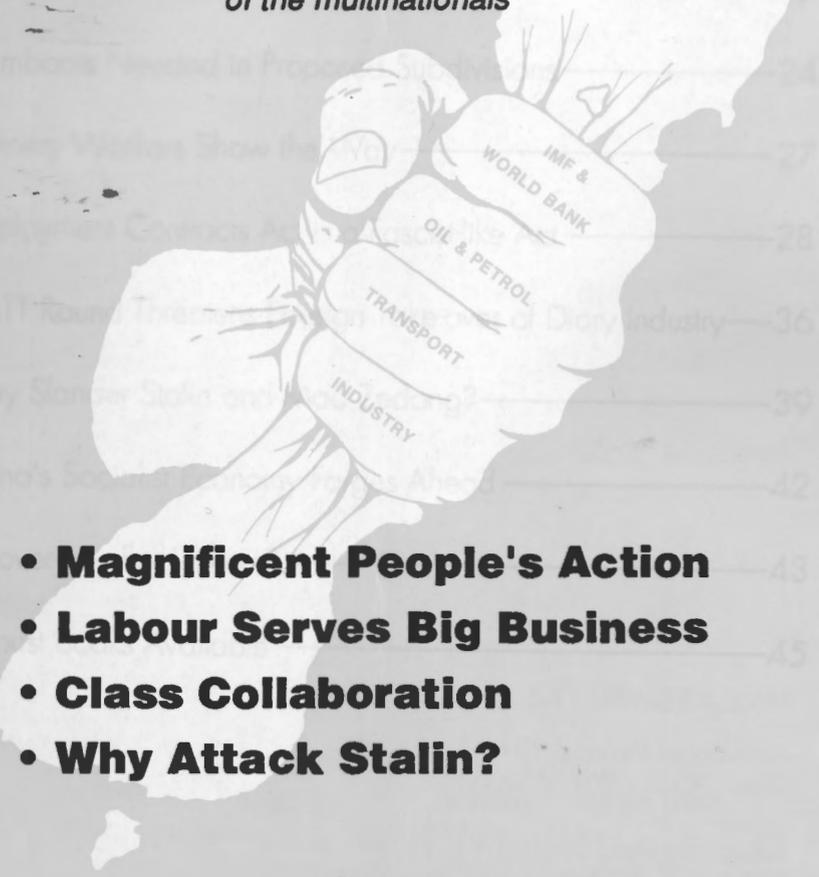


# STRUGGLE

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



- **Magnificent People's Action**
- **Labour Serves Big Business**
- **Class Collaboration**
- **Why Attack Stalin?**

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PLEASE NOTE:

All Editorial Material, Comments, Cuttings (with date and source) to the OMU, PO Box 807, Whangarei.

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We invite readers to step up the activity to isolate the multi-nationals including an approach to their friends to read and subscribe to 'STRUGGLE', to forward news items, clippings, opinions and donations.

Historically, the current social system is in its "old age" stage, awaiting the push from the people led by the working class. New subscribers for 'STRUGGLE' will help build this democratic, patriotic movement.

Our thanks for the many-sided assistance since last issue. Editorial Staff.

'STRUGGLE' is published quarterly. It aims to provide a Marxist analysis of New Zealand society, economy and politics. Its immediate aim is to encourage working people and all possible forces to unite to remove the stranglehold of foreign capital and the New Zealand Business Roundtable, and to achieve national independence and sovereignty.

Subscriptions

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Readers are invited to send their comments, contributions and criticisms to PO Box 807, Whangarei.

STRUGGLE expresses the viewpoint of the Organisation for Marxist Unity

## Magnificent Matakana Island Action

When 270 determined and united Matakana Island residents lowered the boom on the US giant forestry transnational, ITT Rayonier, they set an inspiring example of the power of the people. Previously, by means of smart backroom wheeling and dealing, ITT Rayonier succeeded in gaining control of forestry rights, ahead of the local Te Kotukutuku Corporation, the logical buyer of the rights. Angered by the heavy felling of trees for log exports, over 100 residents marched protesting at the rape of the Island forests, homes and future. Two large trees were dropped across an access road effectively blocking log exports. The road blocks were guarded around the clock.

As a major exporter of logs, US ITT Rayonier is principally responsible, along with other log exporters, for the log supply crisis for New Zealand sawmills and the sky rocketing sawn timber prices. While greater efforts will be needed to stop the plunder of New Zealand resources, Matakana Island residents have shown that these giant corporations are nothing to be feared. In fact, they are a 'paper tiger' - outwardly strong, but weak in the face of determined action.

When strength comes from public support, how much strength can a wrecker of people's livelihood expect to get? The anxiety of US ITT Rayonier was indicated when the New Zealand managing director was forced to consult with the iwi who had previously been ignored.

Only when the people take responsibility for their future into their own hands will the stranglehold of foreign corporations be broken. Matakana Island residents deserve the support of all patriotic New Zealanders. It is part of the rising movement to safeguard national independence and sovereignty.

## Labour Serves Big Business

To regain electoral support following its decisive rejection in the 1990 General Election, the Parliamentary Labour Party (PLP) is striving to create a new image by attempting to distance itself from the actions of the Fourth Labour Government. While some new words and catch-phrases are being used, the old 1990 policies remain.

When the PLP shadow Minister of Finance, Dr Cullen addressed the Wellington Chamber of Commerce, he focused on the greater benefits for Big Business with a Labour Government in office than a return of the current National Government. Without the financial and political support of Big Business, the PLP would have great difficulty in achieving electoral success. So it is understandable that Dr Cullen was keen to assure his audience that a Fifth Labour Government would be reliable and have Big Business interests at heart.

"It is time to switch direction... of economic management... with a greater stress on partnership, planning and process... with a far higher level of co-ordination of Government activity than is normal at present", he said.

Instead of the 1984 round of consensus-reaching Conferences initiated by the former Prime Minister Lange, and the 1990 Compact model of Mr Moore, the new model, 1993 supercharger, is an expanded ENTERPRISE COUNCIL, originally assembled by the National Government. This three cylinder model is powered by "partnership, planning and process" for "growth, jobs, and fairness". Messrs Moore and Cullen are hoping that voters will not notice the repaint job and all the dents and rust remaining from the 1990 crash of the Compact.

How can there be a PARTNERSHIP with foreign-owned and controlled transnationals, when their track record is one of

unconcealed hostility to the people fuelled by greed? The sacking of 5200 Telecom staff between now and 1997 is not the friendly act of a partner. Nor is the record of oil companies in manipulating petrol prices, nor the excessive interest rates charged by foreign-owned banks.

As long as the earth revolves around the sun, Big Business will only join a partnership, or an Enterprise Council if their right to exploit and make profits is not threatened or undermined in any way. They will have to be assured that there is more profit for them by joining than not joining.

In the relatively small New Zealand economy, a handful of large foreign-owned and controlled banks and industrial corporations dominate most branches of the economy except sweeping chimneys and the like. As with all monopoly capitalist economies, the transnationals are driven to unite to impose their domination of the working people. The New Zealand Business Roundtable serves this purpose for them. In that organisation, chaired by the richest individual in New Zealand, Mr D. Myers, the millionaires and foreign corporations work out their instructions to the current Government. Out in the market place they compete for market share, edging out, buying up and closing down competitors. Instead of rational planning, there is anarchy. The blind pursuit of profit leads to over-production of goods and services. Tens of thousands of workers are sacked for no other reason than that they cannot create more wealth for the factory owners.

New technology and work methods are introduced to intensify the output per worker while the State intervenes by increasing the dictatorial power of the employer by means of legislation such as the Employment Contracts Act.

There can be no partnership of equality and fairness with these ruthless foreign corporations and their local New Zealand partners. Partnership on their terms, which they will insist on, can only mean the subordination of all other members of the Enterprise Council to the demands and goals of Big Business.

True, there is an urgent need for a partnership — but it is a partnership of the New Zealand people directed at reclaiming national sovereignty and independence by repossessing public assets sold to foreign investors, reducing the excessive foreign ownership and control of our resources such as forests, and restoring free public health services. But this is not the partnership that the PLP is offering.

### **A HIGHER LEVEL OF GOVERNMENT ACTIVITY — FOR WHOM?**

To achieve "partnership, planning and process", "a far higher level of co-ordination of Government activity than is normal at present" is being offered to Big Business by Dr Cullen on behalf of the future Labour Government. Ever since 1984 there has been intense activity by Government in restructuring the economy and the social services to meet the demands of Big Business. These changes have certainly not been welcomed by ordinary folk.

Dr Cullen is informing the Business community that a new Labour Government will create an even better environment for Big Business to maximise its profits by increasing the assistance and role of the State. "Coordination of Government activity" will be "at a far higher level". For whom? Since 1984 successive Governments have sold state assets, reduced taxes on the wealthy but increased them on the majority. The rich have got richer by making the poor poorer.

There is no indication that "coordination of Government activity" will be directed at reducing the power, interference, and control of Big Business or guaranteeing productive work to all without work. But when the new direction of economic management emphasises partnership in an Enterprise Council, with an increased role of the State, a vision of the CORPORATE STATE of the Italian Fascist regime of the 1930-40s naturally arises. At that time, Italian Big Business, the State and workers' representatives formed a corporate structure dominated by the big Italian Business combines. This

corporate structure was backed by a political dictatorship that greatly increased the exploitation of Italian workers and peasants.

When Dr Cullen observes that the Government's "capacity to control... other interests and bodies... no longer exists" he is signalling to foreign Big Business that a fifth Labour Government will not threaten their interests. Moreover, a fifth Labour Government will still have enormous capacity "to facilitate, encourage, guide and support... other interests".

Those words would bring a warm glow to every corporate chairman in the audience. They understand the double-speak whereas such words will leave every unemployed worker cold. Dr Cullen warned his listeners that: "If people do not feel and have ownership of the problems being faced, there is not the slightest prospect of sustained long-term significant improvement".

Big Business was not asked by Dr Cullen to feel and take ownership of the problems being faced by working people, unemployed and food-bank staff. Nor is Dr Cullen facing the problem that the interests of Big Business and working people are in an antagonistic relationship. For years the Business Roundtable members have led the charge to lower their tax rates, introduce user-pays and use unemployment to drive down wages and conditions. The proposed expanded Enterprise Council is an attempt to conceal the intense struggle waged by Big Business against working people, the self-employed and the smaller business community in town and country. Bankruptcies, sackings, increased work loads, greater stress, part-time work, suicides and food-banks have not come about by accident. They are the result of the ruthless greed by the few comprador capitalists and their foreign masters to obtain the maximum profits. They have been supported and encouraged by successive Governments.

The offer of "A higher level of coordinated Government activity" by a future Labour Government can only mean more refined, intense and wide-ranging methods of support for Big Business goals.

In making this pitch to Wellington business leaders, Dr Cullen is assuring his audience that a fifth Labour Government has a greater capacity to provide a more intelligent (read, cunning) support for Big Business. He is pointing out to them that they could avoid much of the hostility levelled at them if only they would hide behind the cloak of an enterprise council. This council could be brought forward to make the hard decisions instead of individual corporations.

### **REAL STRUCTURAL PROBLEM IGNORED**

Dr Cullen said: "The next Government will have to address the major fundamental structural problems that still afflict New Zealand's economy. Those structural problems are severe and in most cases show little sign of improving. We are far from getting the fundamentals right."

According to Dr Cullen the "fundamentals" include balancing the budget, overcoming the external Balance of Payments deficit, growth performance, education and training, net savings, investment levels, research and development, science and technology, the tax system. By inference he refers to inflation and interest rates. Unless short-changed by the press reporter, Dr Cullen did not include full employment among the fundamentals. This would do little to assure the 300,000 citizens wanting work about the PLP's priorities.

In each of the above "fundamentals" there are few signs of improvement. But Dr Cullen (and the PLP) still refuse to examine the cause and reality, despite the blood-letting in the last nine years. One Finance Minister, (R. Douglas) was dumped trying "to get the fundamentals right": another, R. Richardson is kept off TV to avoid losing votes: and the Fourth Labour Government was dumped by an angry public. By persisting to get the fundamentals right, the current Government's popularity is at an all time low, with Telecom's Spot more popular than the Prime Minister. There must be something wrong about "getting the fundamentals right" as practised by both the former Labour and the present National Governments.

True, there are severe structural problems and they are getting worse. But Dr Cullen is not examining the foundations or the termites that are destroying the framework.

The decisive fundamental question requiring immediate urgent attention is the excessive ownership and control exercised by foreign monopoly capital in our economy. From foreign investments and loan interest payments, billions of dollars are being taken out of the economy and budget revenue. Debt servicing costs are set to rise to \$4.7 billion in 1994-95. Some \$4 billion is sent out in the form of foreign investment earnings. So extensive and tight is the stranglehold of foreign capital that the harder we run, the further the economy goes backward. Yet the full negative effects of the sale of Public Assets to overseas investors is still to come.

**From the Marxist standpoint, the basic contradiction within the capitalist social system is between the private ownership of factories, mills and enterprises and the social character of production. By means of their ownership, a few millionaires take control of the wealth produced, depriving the majority who work together in producing that wealth from the full benefits. Under capitalism, production is for profit, not to satisfy people's needs. When profits can no longer be made by employing wage workers, they are sacked.**

**This basic contradiction has its particular features in each country where capitalism prevails. In New Zealand, foreign monopoly capital ownership in the main branches of industry (with the exception of the Dairy Industry) is decisive. They are: finance, banking, cement, oil, transport, timber, paper and pulp, tourism, mining, retailing and beverages — to name but a few.**

The destruction of former trade training schemes, the lack of adequate finance for investment and the absence of savings and so on can be traced to the dominating role, influence and greed of Big Business. That is the **fundamental cause that Dr Cullen refuses to acknowledge or even examine**. Contrary to Dr Cullen's forecast the next Government, like others before, will not confront this fundamental structural problem of the New Zealand economy.

**The reality is that the present social system has failed, is failing and will continue to fail because it has outlived its capacity to deliver a secure and satisfying life for the majority.**

On behalf of the PLP, Dr Cullen has signalled "to interests and bodies" that a new Labour Government has no intention of exercising control over them. The reality is that interests and bodies like Telecom need to be made to shape up or ship out. They are nothing but wreckers blindly pursuing profit at all costs.

Successive Governments are being tripped up by reminders of broken promises, for they are unable to manage an economy that is actually beyond their control. However hard they try, they cannot get the so-called fundamentals right without a massive, violent and forced reduction of the people's incomes and quality of life. And even then, that most dangerous solution — for them — would be only temporary.

In our view, proposals such as "strategic plan", "partnership, planning and process for growth, jobs and fairness", and an expanded Enterprise Council are like putting a wolf in sheep's clothing. For the people, getting fundamentals right will mean workers in city, town and country, along with all their allies, taking their future into their own hands demanding fundamental structural changes by giving Foreign Monopoly Capital its marching orders.

## LABOUR'S MAJOR SHORTCOMINGS

Among workers and people in their communities, relations of unity, cooperation and mutual benefit rise and ebb in struggle with division and self-interest. In industrial struggles and school gala days, these good relations shine through. But for the PLP to suggest that these positive qualities will be displayed by Big Business in an expanded ENTERPRISE COUNCIL is gross deception. The record of the Business Roundtable and their use of the Employment Contracts Act to drive down wages and conditions speaks for itself.

The PLP is unable to make any major election promise at the expense of Big Business or any election promise to restore the Benefit cuts and the former trade union rights that workers need to protect themselves. This is evidence of the type of relationship that the PLP has with members of the NZBRT. Dr Cullen's offer of support to workers on picket lines, or to Unemployed and Beneficiaries' Groups struggling with the needs of their members. By preaching harmony and cooperation with the Business Roundtable, the PLP are asking the people to lie down and get walked over.

Instead of encouraging workers to get united and organised, the PLP maintains the illusion of relying on parliament and their party. This advice takes the heat off the corporate employers who are left to smash conditions at will. The PLP actually fears the prospect of independent action by the working people and those in their communities defending their rights like control of their power supply and health services.

**This fear is well founded. Once the working people sense their power by acting as an independent movement and relying on their own initiative, energy and commitment, the days of the parliamentary talking-shop, the graveyard of people's hopes, will be numbered.**

By taking all the factors into account such as Dr Cullen's address, the performance of the Fourth Labour Government and the absence

of any essential differences with National Party policy, we think the PLP is still primarily a party serving Big Business. Currently in the political game, it represents that section which favours a more deceptive, softly, softly approach in managing the working people rather than visibly putting the boot in and head high tackles. **But the goal is the same as National's — keeping New Zealand right for foreign investors.**

In these circumstances, with Big Business getting rougher and more aggressive, the role of the PLP is growing more difficult. From now on, it can offer the people nothing as long as it serves the interests of the NZBRT millionaires.

**Nevertheless, 'Struggle' acknowledges that many genuine people still support the Labour Party and try hard to make changes from within. Further experience then is needed for the role of the PLP. Since the proof of the pudding is in the eating, the richest experience takes place when the PLP is in office. The greatest fall-out in support for the PLP occurred during the 1984-90 period of the Fourth Labour Government. If Labour were to be returned in 1993, during the same economic crisis with its mounting social problems, that fall-out would continue.**

Neither Labour or National has the capacity to solve the structural problems of the New Zealand economy, nor the capacity to get the fundamentals right. That historic mission rests with the working people taking the future into their own hands, organising mass activity outside of the parliamentary system for a truly independent New Zealand as a first step to socialism.

## **Class Collaboration prepares the Path to a Police State**

If eternal vigilance is the price of liberty, warning lights are now showing. The demand for greater police powers, reduced public involvement in Local Government and the curtailment of Trade Union Rights are significant indicators.

Of greater importance is the ideological preparation of the people so that, at an appropriate moment during a time of political crisis, a decisive step can be taken to open repression of the people. This preparation takes the form that Big Business and working people have common interests and therefore should work together to improve productivity, produce quality products and become internationally competitive. Known as class collaboration, this activity attempts to reconcile the conflict between Big Business and workers and divert workers into support for Enterprise Councils and Workplace Reform.

Both the Parliamentary Labour Party (PLP) and the leadership of the Council of Trade Unions (CTU) are heavily into class collaboration. The PLP proposal for an expanded ENTERPRISE COUNCIL comprised of Big Business, Government and workers' representatives is not new.

In the United Kingdom, during the severe 1929-34 Great Depression, a former Labour member and Government Minister, Sir Oswald Mosley issued a Manifesto. It demanded a "Dictatorship of Five" to run the country. It was signed by 17 Labour Members of Parliament and one prominent Trade Union leader. Mosley was an admirer of Hitler. He claimed that "the immediate question is not a question of ownership, but the survival of British industry". (Mosley's Manifesto).

By 1932, Mosley had formed the British Union of Fascists, known as the Blackshirts. The significance of these details is the

close connection between the class collaboration as practised by Labour leaders and its further development into fascist views and organisation.

This development of class collaborationist views and practices reached a highly organised form in Italy. There, the Corporate State system was structured so that the national economy was organised through corporations in each of the various industries. Management of each of the corporate sectors was composed of Big Business, Government and employee representatives. This system was backed by the forces of the State led by the dictator Mussolini. Trade unions and workers' political organisations were outlawed.

In Germany, the Nazi Government of the dictator Hitler established the Supreme Economic Council, whose leading members included the most prominent multi-millionaires:- Herr Krupp von Bohlen, armaments king, imprisoned as a war criminal after World War II; Herr Fritz Thyssen, steel king; Herr F C von Siemens, electrical king; Professor Karl Basch, Dye Trust; Dr A Vogler, German Steel Trust; Herr Diehn, Director of Potash Syndicate; Herr Bochringer, Director Steel works; Herr von Shroeder, banker; Herr A von Fink, banker; Herr F Reinhart, banker.

**In both Italy and Germany the existence of class collaboration theory and practice helped to disarm the workers politically. For a characteristic of class collaboration is to oppose the class struggle of workers in defence of their trade unions, their wages and conditions. The refusal of the CTU leadership here to lead active struggle against the Employment Contracts Act is such an example.**

**International experience indicates that a police state, a neo-fascist regime does not come about without careful preparation. Whatever the subjective views and wishes of those who favour class collaboration may be, history teaches that Big**

## **Business and their reactionary politicians take class collaboration-type institutions and views as the next step — into a fascist-type dictatorial state system ruled by Big Business.**

All the alleged benefits of an expanded ENTERPRISE COUNCIL create illusions that Big Business will acknowledge the rights of workers and recognise them as equal partners. Over the recent period New Zealand workers, through bitter experience, have seen just how "equal" they really are!

Both the PLP and the CTU leadership add to that deception. They fail to give workers the encouragement and support to struggle against the frenzy of Big Business to maximise their profits.



## **Reliance on Parliamentary Politics is Fatal**

In the lead up to the parliamentary elections, the two major parties will pose and posture, trading accusations and insults. Once again, they will insist that the electors sit back and rely upon the politicians to manage the economy. But increasing numbers of the public understand that the two major parties are a front for the New Zealand Business Roundtable whose decisions are implemented subsequently by Parliament. People are no longer prepared to give the politicians a free hand because of their politically corrupt practice of making and breaking promises. Many have joined community organisations and movements such as Poverty Action, Greypower, Unemployed, Peace and Environment. In the workplaces, committed trade unionists realise that the building of an effective trade union movement must be job-based. The people have real strength when they combine their efforts and personally take responsibility for their future along with their workmates and neighbours. It is essential that the people's organisations are not diverted. They must ensure that, following the General Election, their organisations are stronger with increased membership and public support. Whatever party assumes office, the economic, political and social crisis will continue.

### **NEW ZEALAND IN CRISIS — THE DEBT BURDEN**

Contrary to the Good News machine, the New Zealand economy remains in crisis with exceptional levels of public debt, Government debt and unemployment. Business Roundtable (BRT) vice-Chairman and Chairman of Brierley Investments, Mr Matthew finds the statistics 'mind numbing'. Gross Public Debt per person has risen to \$45,000. His solution runs true to form: 1. Asset test all beneficiaries; 2. Reduce National Super to Invalid rate; 3. Cease

payment of unemployment benefit after a set time. As usual the Big Business solution is to further reduce incomes of working and disadvantaged people. He makes no mention of restoring the former higher tax rates on corporations, their tax avoidance fiddles and currency speculations.

## **NEW ZEALAND IN CRISIS - WHERE TO TURN?**

In the political field, other members of the comprador capitalist class are desperately searching for options. Should New Zealand join Australia? the United States? The North American Free Trade Agreement? or Japan?

Not to be left out, a new grouping, Agricultural and Business Forum of Auckland, Wellington and Waikato interests is recommending that New Zealand become part of an expanded Britain. On a population basis New Zealand would be entitled to 28 seats in the House of Commons. Two counties in the North Island and one in the South Island would comprise government at the local authority level. Serious? A 365 page report on the issue was prepared by international consultants and they don't come cheap. These consultants estimate that food subsidies paid in Europe would treble returns from food products. Three public relations firms have been asked for submissions how to 'sell' the idea to the public.

Such recommendations are evidence of the conflict within ruling circles - between those who have links with British investments in New Zealand and/or who are dependent on the British and European market, and other groupings linked to the USA, Australia or Japan.

## **FOREIGN CAPITAL CONTROL**

Foreign banks are maintaining excessive interest rates above the recorded inflation rate of 1 per cent. They ignore the plaintive pleas of the politicians, showing who really runs the economy. In the

background is the Reserve Bank, under orders to reduce inflation to zero by restricting the Money Supply. This ploy pushes up the demand for money; the banks try to meet the demand to obtain more money by offering higher interest rates to bring in more deposits. So up go home mortgage rates to 9% plus and commercial interest rates for small business to 14% more or less. The effect of these rates is to restrict small business development and expansion. The sale of BNZ, New Zealand's only major trading bank, has simply increased the control by foreign banks.

Export of logs has continued creating a new crisis in the sawmilling industry. A timber mill in Katikati laid off 24 workers until more logs can be found. About 100 independent sawmillers have lobbied the Government for quotas on log exports. Mills face ruin should they have to pay international log prices. In Nelson, Tasman Forestry, 39 per cent owned by US investors, along with Fletcher Challenge, is giving preference to foreign log buyers, notably Sumitomo Corporation of Japan.

As agents for foreign corporations and their New Zealand partners, the National Government turns a deaf ear to demands for control of bank interest rates or log quotas. It continues to favour foreign investors by putting NZ Rail and Transpower up for sale. Privatisation of public assets invariably means foreign ownership. Mr Prebble who made a reputation (though quickly lost) of campaigning to 'Save Rail' does not oppose Foreign ownership of NZ Rail by a US Rail corporation, only by NZ Port and British shipping giant, P and O.

The sale of public assets has failed to reduce overseas debt as originally planned. At December 31st, public debt reached \$67 billion, a figure which now includes \$4 billion of debt issued domestically but held by overseas investors through nominee companies in New Zealand. Even though \$2 billion was repaid on overseas borrowing, overseas debt was greater in December 1992 than the year before. With the increasing sale of public and private assets to foreign investors, the public debt will continue to

grow as their export of investment earnings in the form of profits and interest drain the economy of essential funds. The social consequences of this stranglehold are evident everywhere.

## **SOCIAL CRISIS MOUNTS**

In Christchurch, a record number of tenants unable to afford their rents are leaving their homes. Benefit cuts are blamed. Two people now live in the place of one, and the doubling up has led to a glut of vacant houses. In Tauranga, Catherine Crowther of the Budget Advisory Service reports a record number of clients seeking help. The downward economic spiral shows no immediate sign of easing off.

While spending millions in trying to brainwash the public into accepting the unpopular Health Reforms, the Government has cut the budget of the Special Education Service (SES) by \$1 million in the 1991-92 year and by \$500,000 in the current financial year. In Canterbury, SES service provided by some 600 specialist teachers and psychologists to children with emotional or learning difficulties will be reduced.

At the HAGLEY Community College, Christchurch, the main school block has been known as an earthquake risk since 1960. A redevelopment start was scheduled for 1990, but its priority has been further delayed despite the severe earthquake and safety danger.

The Department of Social Welfare has withdrawn funding from Foodbanks even though the need is urgent. Families desperate for food are denied Special Needs Grants, even though they are recoverable, and are referred by Department off Social Welfare to foodbanks - to the very foodbanks that the Department of Social Welfare denies support. Because of demand some foodbanks have had to close or limit support.

The shocking housing conditions of people living in Northland

were recently headlined when in the Hokianga, members of a family were forced to live in a tent, lit by a candle. There was no power or water. When the tent caught fire, a young woman died. Over 3000 houses are below standard in Northland, many families living in garages, former cow sheds and tents. At the same time, ship loads of logs are being exported, the price of sawn timber is rising sharply and scores of building workers are unemployed. Such is the cost of losing control of forestry resources and a system that puts profit before people.

Family support payments are being cut from south Auckland households as government departments' campaign to inform on law changes fails.

Families are in trouble as support payments — from \$42 to more than \$100 depending on family size — stop.

The families have not caught up with last year's law changes and made the applications needed to keep the payments coming.

The payment has traditionally come from the Social Welfare Department, but now is handled by the Inland Revenue Department.

Inland Revenue Manukau manager John Forest says "significant numbers" of locals have failed to sign up. And the department has no choice but to cut payments.

Despite a huge advertising campaign and a mail-out of letters to families, the department has failed to get the message across to south Aucklanders.

The Inland Revenue office is seeing alarmed families turning up asking for urgent payments. All the department can do is sign them up for future payments. It cannot backdate payments to April 1, when the changeover took place.

That is leaving some families on tight finances with blown budgets, with no hope of making up the shortfall.

Manukau Courier 23.04.93

These are only a sample of a widespread social crisis, the cause of which can be traced to the demands of Foreign and Local monopoly corporations. Through their control of the State, including the two major political parties, National and Labour, they are demanding the greatest of sacrifices from the New Zealand people, irrespective of the cuts in health, housing and education. There are more significant indicators - unemployment and increasing police powers.

## **UNEMPLOYMENT CRISIS**

Every trick is being used to cover up failure to provide jobs. The number receiving the unemployment benefit, the number who are jobless and the number actively seeking work vary. Labour Department figures differ from Social Welfare. 15,133 workers placed on Government employment schemes or in subsidised work are not included. Part-time work is increasing. According to Labour Department figures 228,901 citizens were receiving the unemployment benefit in January. Mrs Shipley claims there were 153,909 on unemployment benefits at the end of March, compared with 152,309 a year earlier.

Despite the optimism of Mr Birch, the Reserve Bank is predicting that unemployment will increase over the next 12 months. A Massey University Report highlights another trend — the existence of a two-tier labour market with many in the second tier facing long periods of unemployment. Three times more Maori were unemployed in 1991 than five years earlier. The long term effects are disastrous. They involve health, crime, skill and confidence levels.

In round figures there are some 30,000 wanting work, or who would take work if jobs were available. The fact that jobs are not

available as promised by the National Government is evidence of failure. The social system is incapable of providing employment and has no intention of meeting this urgent need. The message is clear. We must organise, build up the strength of Unemployed Workers in every city and town and the National Unemployed Movement, Te Roopu Rawakore, Jobs are a Right. An active united unemployed movement demanding jobs could not be ignored.

## **INCREASED POLICE POWERS OPPRESSIVE**

Having created intolerable living conditions, the Big corporations and their State apparatus are encouraging the police to act 'outside the law' against victims of the system. In Timaru, a young resident was ordered out of town by the police acting like a Wild West cattle town Sheriff. Any person caught shoplifting in Kaitiāia is handed a trespass notice by the police banning that person from all 125 shops. The first person banned was a 17 year old first offender. In Gisborne, police issue photos of possible wrong doers. In Hornby, Christchurch, the community newspaper and the police published photos of four houses, naming the occupants as criminals. But the scheme backfired, and the Police had to apologise. They inferred, incorrectly, that seven out of eight members of one family were engaged in criminal activity.

The central issue is that the Police are acting outside of the Law - a Law that is already biased on the side of the wealthy. When police act as prosecutor, jury and judge, without accountability and beyond any legislative backing, the foundations are established for the growth of a police state.

No one wants their house burgled or to be the victim of violence. But the real criminals are those who are selling the public assets of the nation to foreign investors. Likewise, the real crime is anarchical pursuit of profit resulting in the rich getting richer by making the poor poorer. — It is this activity that the police are protecting. While workers produce the wealth which is appropriated by a small

millionaire class, their only reward is a take-home-pay that is steadily being eroded.

Criminal activity is a sort of guerrilla activity waged by the dispossessed and alienated. It would be far better if the energy and time involved were put into helping the people reclaim ownership of public assets and abolishing the social system that is founded on crime — the exploitation of man by man.

## **Gumboots Needed in Proposed Subdivisions**

A contributor has forwarded a folder of pamphlets distributed by the New Zealand Housing Initiative Society Inc. (NZHIS) along with detailed comments. The NZHIS objectives, supported by the Government are: "To encourage and initiate change in New Zealand Housing in order to provide the choice of housing which is both cost effective and environmentally attractive". Sounds promising? The glossy pamphlets are well presented. But alarm bells ring with the use of the word "choice", when remembering the sales pitch for the Employment Contracts Act. Limited space restricts full coverage of the contributor's comments or the pamphlets, but a summary follows.

The NZHIS claims that housing needs and demands have changed because of reduction in household size, one person households, single parent families, and the increase in the 55 and over population. But the cost of finance and the lack of suitable land is driving up the housing costs for the average family.

Since 1988, NZHIS has been lobbying Local Bodies for the removal of restrictive regulations. Some of the key measures advocated by NZHIS include: more cluster housing, building to boundary (zero line); reducing section sizes to between 300-500 square metres; curved narrower roads to 5 metre road reserve width (which includes footpath, if any); innovations in kerb channelling and footpath; alternatives to stormwater pipes.

The ultimate aim is to reduce the cost of housing and subdivision. No mention is made of the increased income for developers by building and selling more houses per hectare of subdivision. As roading and stormwater disposal are two major subdivision costs, NZHIS proposals are most intriguing. Residents in the curved narrow streets should train themselves and their children not to rush out the front gate. When one car is parked on the opposite side of the road, another approaching car does not leave much room for a pedestrian out of a proposed road reserve of 5 metres or a footpath, if there is one. Should the approaching vehicle be a rubbish truck, a fire engine or a police car, the resident should stay indoors. The painted line designating the footpath would be no guarantee of safety.

For stormwater disposal, the NZHIS proposal is that the recreation reserves that developers are obliged to provide and the roadsides be used as ponding areas for flooding instead of stormwater piping. How the house owner disposes of the rainwater from the roof is not covered. Nor does the NZHIS indicate how the sky knows when to stop raining after the roadside and recreation ponding areas are fully flooded. Presumably, water sports on recreation reserves and roadside will be suitably advertised for these new subdivisions?

Obviously, it will not be the wealthy who will be living in such compact housing estates served by narrow unsafe roads subjected to flooding after every decent downpour.

The Contributor now comments: "The NZHIS is a front for the

Housing Corporation... a classic method for Government (and supporters) to influence people to accept new (and detrimental) policies. Already, building standards have been lowered on the grounds of new and stronger materials and better building methods (studs further apart and no noggings) — a drive by big developers to increase their profits. The Town and Country Planning Act which forces minimum national standards on developers is also under attack. Local by-laws which govern road widths, section sizes, provision of pavements and adequate drainage, maximum coverage of sections by buildings, and building heights are now to be scrapped. NZHIS pamphlets signal the attacks to come. Big developers have long looked upon these laws as a hindrance to unfettered profit making.

“Some of the advocated changes in themselves are not bad, but overall they could lead to a deterioration in subdivision standards. Fire brigades could have some fun in these new proposed subdivisions. Every one knows that the developers usually have the whip hand and are in the business to screw councils and consumers for all they are worth.

“People must be alert and spot the real reasons (and the reasoning) behind Government policies. The New Right corporate fascist policies are reaching into every corner of our lives. The NZHIS proposals are an example of how they are trying to do it in the building industry.” Our thanks to the contributor.

Is the NZHIS a front for the Housing Corporation? In the past both NZHIS and THE HOUSING CORPORATION had the same phone and fax numbers, although different PO Box numbers.

The pamphlets carry both NZHIS and HC labels. Weird, eh!

## Tannery Workers Show the Way

The determination of the Tannery workers on the picket line during their strike action has set an example for all workers facing Company clawbacks. In response to police intimidation and long baton violence, the Tannery workers and their supporters stood firm. More than that, they quite rightly equipped themselves with helmets, shields and pallets. Their readiness to face arrest thwarted the Company — backed police attempts to disperse the picket.

There are very important lessons from this dispute. The fascist-like Employment Contracts Act can only be defeated by determined working class action on the picket line and at the work places. When workers stand firm, they surround themselves with support from other workers, from some trade union officers and from other sections of the public. This build-up of unity isolates the company and the police.

A most significant lesson is that where workers are free from the virus of class collaboration, but rely upon their own strength they are ready for struggle. In contrast to the whimperings of CTU President, K Douglas, about violence, Tannery workers were actively defending trade unionism along with trade union officers, committed to class struggle unionism.

Many more actions of this kind will be needed to lance the ECA-boil. For the Parliamentary Labour Party, (a party that some trade union officials are relying upon to repeal the ECA) have made no commitment to repeal all the provisions of the Employment Contracts Act.

Workers in action can certainly defeat the ECA, the corporations and their police backup. Every such action inspires more workers to defend their rights, and even wider sections of the community. From rank-and-file activity, genuine class struggle unions will emerge, free from all the clap-trap of 'industrial democracy' and 'quality circles' favoured by CTU bureaucrats.

## **Employment Contracts Act Is a Fascist-like Act**

After nearly two years of experience, the Employment Contracts Act (ECA) has confirmed predictions made prior to its introduction. Instead of 'freedom and choice' promised by the former Minister of Labour Mr Birch, the employers have got all the choice and freedom. The Act empowers the employer to dictate wages, hours and conditions with a take-it-or-leave-it attitude. In a one-to-one bargaining situation, employers use the threat of the sack and the dole queue to enforce agreement.

A survey by the Department of Statistics recorded 65% of workers received no wage increases, 2 per cent a wage cut, and 34 per cent a wage increase. As the survey was based on weekly wage rates, it does not reflect the complete picture. Overall, the ECA has meant less penal rates, less sick pay, less meal money and other hard-won conditions. After studying 1100 contracts, two industrial relation specialists concluded that the ECA disadvantaged women workers. In one industry, child care workers now receive \$4.00 per hour as against \$7.16 formerly.

Without the protection of a minimum wage law, young workers under 20 are subjected to blatant exploitation. Wage rates of \$2.50 to \$3.50 are common.

Experience has proved that the ECA is an instrument designed to intensify the exploitation of working people by obtaining more work by fewer workers, accompanied by loss of hard-won pay rates and conditions. More importantly, workers have lost democratic rights to negotiate freely, to organise and belong to trade unions.

## **DEMOCRACY FOR CORPORATIONS DICTATORSHIP FOR WORKERS**

According to Mr Birch, "the ECA gave basic rights of freedom to hundreds of thousands of workers" ('Press' 17.2.93). The real world does not support such a claim. In the Auckland Tannery dispute, the Company attempted to enforce reduced take-home pay and its domination of the workforce by using the provision of the ECA. About a third of the workers were induced to sign a company contract. The majority of workers however, wanted a collective contract with improved wages and conditions. The Company contract included a new bonus scheme that would have resulted in a big pay cut for most workers. In response to the Company's actions, workers took strike action, and set up their pickets at the factory entrance.

In order to enforce the Company Contract on the majority of the workforce, the Company called in the police. Instead of upholding the interests and rights of the majority, the Police cooperated with the Company, giving priority to the interests of the employer. By inviting the assistance of the police, the Company was quite prepared to accept the use of violence against its own staff by the police equipped with long batons and under instructions to break the picket line. The police acted as agents of the Company aiming to reduce the tannery workers' take-home pay. When the Company whistled, the police came. When the workers were opposing the Company's theft - reduction in take-home pay - the police were conspicuously absent.

Thanks to the resolute action of the Tannery workers supported by other trade unionists and trade union officers, the real nature of the ECA and the police was shown for the world to see. The police are an instrument for suppression of workers struggling to defend their wage rates, their rights and their family interests. So obnoxious and unjust is the ECA, that the police with long batons are required to make it work. The ECA is an outright piece of class legislation designed to enrich the few wealthy corporate shareholders at the

expense of those who do the work.

Mr Birch's claim that the ECA gives workers basic rights and freedoms is outrageously false. It would even make the infamous Dr Goebbels, Hitler's propaganda chief, glow with pride knowing that his example still serves as a model.

Just as Hitler attacked the Trade Unions in order to prepare the way for an open dictatorship, so too does the ECA and its supporters. For the ECA empowers the employer to threaten workers so as to discourage them from joining their trade union. This right is supposed to be a basic democratic right for all workers - to form, and belong to a legally recognised Trade Union.

The restoration of trade union and democratic rights is dependent on the abolition of the ECA and is an immediate task of the trade union and progressive movement. The courageous example set by the Tannery workers will serve to hasten that goal.

### **ECA - FOR EMPLOYERS, ALL GAIN AND NO PAIN**

By increasing the dictatorial powers of the ruling class and its State by means of the ECA, major employers aim to multiply productivity and profits. For PDL Industries, a large manufacturer of electrical equipment, the ECA has led to a 500 per cent turn around in profit. At the Bluff Aluminium smelter, 31 per cent fewer hours are needed to produce one tonne of aluminium. All except four of the 1300 staff are on individual contracts. Since Port reform at Taurangā, tonnages shifted per gang hour have increased 225 per cent. In industry after industry, productivity (and profit) has soared to new heights, the benefits of which have been monopolised by the big corporations. Yet the demand for more is insatiable. Manufacturers' Federation President, Mr R Crone, states that "any wage increase would have to be tied to productivity". The reality is that even when there is productivity increase, the employers grab as much of the benefits as they can. An example was supplied by Mr Birch in the 'Press' (17.2.93): three years ago, a clothing worker

took home \$350 per week for making about 700 cuts per day. Thanks to the ECA, the same clothing worker makes 2100 cuts per day and takes home \$600 per week. While her productivity increased three times (300%) her take home increased only 71.4%. After the ECA was introduced, this clothing worker was doing the work of three workers but was only receiving take-home pay equivalent to one and one half workers.

The enormous increases in productivity make possible the introduction of a 35 hour week without loss of pay, and some increase in employment. The ACC levy-tax should be paid by the employer, the minimum wage for adults be increased from \$246 to \$350 per week and a minimum wage for workers under 20. All this would be possible but from the greed of foreign owned and controlled corporations who are calling the shots. These corporations include, Fletcher Challenge, Carter Holt Harvey, Telecom, I.T.T. Rayonier (forest), the oil companies and the Banks. By demanding the introduction of the ECA, these international and local 'heavies' are guaranteeing a protracted economic depression broken by even bigger crises in the future.

### **IMPLICATIONS OF THE ECA**

The huge increase in productivity is a major cause of JOBLESS GROWTH. When new technology or the more intense use of old technology is accompanied by a worker performing work formerly done by two or three workers, unemployment remains. This trend slows or prevents a growth in employment. The sacking of 5200 staff by Telecom and 400 by Westpac are indicators of the major problems confronting the monopoly capitalists. They are unable to provide jobs and job security for the working people, for middle management and technicians.

At the same time, the increase in part-time, casual and temporary work is a further indicator of the inability of the social system to furnish work on a full time basis. Whereas the accepted view of a

job comprised a working week of 40 hours, the New Zealand Employment Service is now attempting to brainwash job seekers that such part-time, casual and temporary work are jobs, despite the fact that the income is insufficient to live on.

With the current increase in productivity and the employers' pressure to hold or reduce wage rates, the stage is being set for a deeper and repeated crisis of over-production. Along with its trading partners, New Zealand is trying to reduce wages while increasing production of goods for export. The result of this activity is seen in the current world economic crisis of over-production.

Such economic trends are signs not of progress but of decay, and decline. We are experiencing the dying agonies of a social system that has out-lived its usefulness. This relative economic decline is being accompanied by a corresponding political decline. Former rights tolerated or found useful for maintaining the deception of the people are now being dismantled and abolished. At the same time, the powers of Central Government, the state bureaucracy and the police are being increased. In recent times, the mounting evidence points to more dictatorial rule and a diminishing role for the former limited democratic rights of the electors.

In preparation for a more repressive regime, an ideological offensive is persistently waged that surpasses all previous levels of cynicism, hypocrisy and arrogance. Words such as 'freedom', 'choice', 'basic rights', 'level playing field', and phrases such as 'we are getting on top of public debt, and unemployment' (Mr Bolger) are used when in fact the opposite is happening.

These signs of political corruption and dictatorial developments are inter-connected with the economic decline.

Only by working people taking the lead and encouraging all the progressive forces, can the move to a fascist-like State be halted and defeated. In the present, we can see the future — if we don't fight, we lose.

## **ECA — KILLING PEOPLE**

Because of the impact of the ECA on the health and wellbeing of workers, Canterbury trade unions have set up a support group for workers suffering from stress. At work-places, employers were discouraging and even prohibiting their staff from discussing their contracts with other workers.

Giving evidence before a Parliamentary Select Committee, Mrs Mavis Watson from the Canterbury Unions Health and Safety Centre stated that the health of workers was the worst she had seen in the 20 years in the field. "Health and safety provisions have not been written into individual contracts. People are really suffering from injuries and long-term disease. The new health problem created by the Act is stress. It is killing people; it is creating situations where workers are victimising each other to try to keep their own jobs. While productivity may have increased under the Act, people had to work harder, longer and faster," she said.

This situation has developed after only some two years of the Act. What will the situation be like, if allowed to continue, after another five or ten years? As long as the ECA and similar Acts rule, the future will witness increasing industrial casualties coinciding with a reduced public health service. Instead of cooperative, caring and sharing relations in the workplace, the ECA encourages competitiveness, division, and hostility among workers. The principle of Divide-and-Rule is taken to new extremes, whatever the social cost, as a means of extracting the maximum profits from those who work 'harder, faster and longer'. As the Business Roundtable will find out, the principle of 'an injury to one is an injury to all' will burst through all restrictions, even the threat of long batons.

## **WORKERS' LABOUR IS SOURCE OF CORPORATE PROFITS**

A major reason why corporate chairmen choke on their whiskies when they hear the name, Karl Marx, is that Marx was the first to

discover the real source of profits. He showed that the workers were getting ripped-off on a grand scale.

Since his time the system has not changed, except that the extent of the rip-off has become many times greater.

For example, a company or corporation pays a worker \$360 per 40 hour week for producing goods (commodities, values) worth \$720. In half the working week, 20 hours he/she produces values equivalent to his/her wages. This period of the week is called necessary labour time and the labour, necessary labour. It is necessary to produce the equivalent of wages to keeping the system going. Having produced values equivalent to the value of his labour power, in half the week, the remainder of the week is surplus labour time in which surplus values are produced.

The worker spends half the week, 20 hours, producing goods, values for the company - for nothing. From these surplus values, the company shares some with landlords (rent), bankers (interest), transport, wholesale and retail companies. The remainder is profit. From a Marxist standpoint, the driving force of capitalist production is the creation of surplus value, which is actually greater than profit. The introduction of the ECA was designed to accelerate the production of surplus value. This has been achieved by reducing the necessary labour time either by reducing wages, more intense work, or installing new technology. Another method is to increase the length of the working day. To avoid pay increases, or the cost of new technology, the Manufacturers' Federation spokes-person recommended that companies give their staff the opportunity of working extra hours at present pay rates.

The necessity of producing surplus values is an absolute law of the capitalist social system. It is its distinctive feature. Naturally, this form of exploitation is concealed. Wages are paid for each hour giving the appearance that the worker is being fully compensated. But as Marx disclosed, the worker produces the wealth, the surplus values that are appropriated by the Company and the capitalist

class. **In its purchase of the worker's capacity to work, his labour power, the Company buys a unique commodity. When this special commodity, labour power is put to work, it creates values greater than its own value. Without this surplus of values there would be no capitalist profit. Opponents of Marxism try to claim that profits are made in the market place, by sale or purchase. They are actually made at the point of production.**

### **QUALITATIVE CHANGE IN PROFIT MAKING**

After 1900, industrial and banking finance merged, giant trusts, cartels developed, capital was exported and the world became divided up among the major powers. The era of imperialism, the era of dominance of giant monopolies, and transnationals had arrived. These monopoly enterprises were no longer satisfied with an average rate of profit or even very high profits.

They demanded the maximum profits by the exploitation, ruin and impoverishment of the majority of the population. In New Zealand, since 1984, while the working people have borne the brunt of the offensive by Foreign Capital, various sectors of the middle classes have suffered irreversible setbacks. Deregulation, the lifting of tariffs and punitive bank interest charges have destroyed sectors of the manufacturing, commercial, transport and construction industries. Redundancies through mergers, take-overs and bankruptcies have decimated middle management. The sale of public assets to foreign transnationals has been a massive plunder of national wealth. The chronic Balance of Payments deficits and growth of public debt point to the persistent stranglehold of international finance. The extraordinary expenditure of billions of dollars on frigates, along with high levels of spending on the armed services indicate a rich source of income for bankers and industrialists, at the expense of the taxpayer.

In keeping with the demands of Foreign Capital and their willing partners in the Business Roundtable, the destruction of the public health system is being organised. All these features and more reflect the basic economic law of monopoly capitalism, the law of maximum profit, whose expression is distorting and undermining the New Zealand economy, resulting in the creation of an industrial reserve army, the existence of which is a daily indictment of a cruel, heartless and exploitive social system in which the ECA plays a key role.

This basic economic law of monopoly capitalism, proposed by J Stalin, is the logical expression of the law of surplus value in the era of the dominance of transnational corporations. The basic law is consistent with it, and certainly does not contradict it.

To prevent further devastation of the economy and people's lives, the removal of the ECA is a priority. Trade unions must have legal recognition. The ECA has been experienced. Being hostile to the working people, it must be removed.

## **Gatt Round Threatens Foreign Take-over of Dairy Industry**

Much has been made of the benefits of an agreement in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). With such an agreement guaranteeing 'free trade', the European and other markets would be opened up for New Zealand exports. As a signatory, New Zealand would also be obliged to open up its markets. So, while there are benefits for primary product exporters, there are distinct disadvantages, including very real

threat to those exporting industries.

Researchers of 'CORSO OVERVIEW' (David Small, Leigh Cookson, and Aziz Choudry) state that, "The measures under review reach deep into the arena of national sovereignty. They include giving transnational corporations the right to 'National treatment', 'means the host Government must treat foreign investors as if they were domestic firms. The 'right of establishment' allows transnationals to set up shop or acquire existing businesses without interference from government."

Once the GATT Round is concluded, and there is doubt about this, a number of industries in New Zealand would be under threat, namely the fishing industry with its quota system; the dairy industry and Tasman Shipping. Any government regulation protecting a New Zealand industry would have to go. A transnational could claim the right to establish a dairy processing factory, demanding freedom from government interference, including the right to export. At present, the single desk exporter, the Dairy Board acting on behalf of regional dairy processing factories would become prime target. Foreign control of part or the whole of the New Zealand dairy industry, from production, to processing and marketing can be expected, as a potential outcome of GATT. Overall, the impact of GATT is far more comprehensive than the dictates of the IMF and the World Bank.

'CORSO OVERVIEW' says "GATT will affect every aspect of our lives. GATT is more than selling our dairy products to Europe. It is about selling control over our labour, education, health care, legislation, environment, natural resources and land rights; in short our sovereignty." An example of this pressure was shown when the US Pharmaceutical companies forced New Zealand to change its Patent Act concerning local companies replicating drugs patented in the US. There has been some indication that should the Kiwi Marketing Board fold, other sources would step in. The Chiquita Brands International Ltd (the notorious United Fruit Company of the 'banana republic fame') the world's biggest banana trader got both

its feet in the door, when the Labour Government deregulated fruit distribution. Export production in the former suppliers, the Pacific Island nations, almost completely dried up. Since then, "Chiquita is chewing up a large slice of the world kiwi fruit market too", ('Listener', 13.2.93). The GATT Watchdog Group of Christchurch have very sound reasons for their concern as both local and international experience back their warnings.

"Some 200 multinational companies account for a third of the world's gross national product and up to half of all the world trade takes place between branches of multinationals, so this theory of 'free trade' seems unlikely to bring wealth and prosperity to any one other than the multi-national companies". ('Corso Overview')

The use of the phrase 'free trade' is a con job. Free trade is a cover-up for foreign control and domination, foreign monopoly at its worst. The political protection required by foreign transnationals is found in police states of South America. Public pressure will come from more awareness about GATT. For information, send self addressed envelope to: CORSO, Box 1905, Christchurch.

"In Deep Water?"

The New Zealand Fishing Industry

This 39 pages of research of some eight aspects of the New Zealand Fishing industry is worth reading. Produced by Campaign Against Foreign Control of Aotearoa, it is selling for £5.60, obtainable from CAFCA, PO Box 2258, Christchurch.

Do you require more information about GATT?

The GATT Watchdog Group warns that GATT will do to the world's poor what free market policies have done to New Zealand's poor. For a free information kit, send a self addressed envelope to: CORSO, Box 1905, Christchurch.

## Why Slander Stalin and Mao Zedong?

Attacks on these two outstanding 20th Century statesmen and people's leaders are never accidental. The ruling millionaire class fear the growth of genuine revolutionary Marxism more than the devil fears holy water. As a class the millionaires feel threatened. Their right to grow super rich at the expense of working people is on borrowed time. This class knows only too well that Marxism provides the industrial workers and all progressives with a comprehensive, rational and logical scientific outlook for changing the world. From this standpoint the reputation of Marxist writers and builders of the new socialist society must be destroyed.

In defending Stalin and Mao Zedong we acknowledge that both made mistakes.

But this millionaire class is not the only one to climb into the ring. In the current historical period witnessing the decline and decay of the monopoly capitalist system, the middle class, especially the lower middle class also faces its own decline in importance. Increasing numbers are forced into the ranks of the wage earners. They lose their previous status. Their former security and hopes of advancement are destroyed. Closures, take-overs, mergers, redundancies and shrinking career opportunities decimate the middle classes. They feel resentful and angry with the Business Roundtable but they are also nervous about the working people having too much say. Politically, they tend to vacillate.

Some members of the lower middle class join the Marxist movement taking into that movement their class outlook of elitism and loyalty to their former class position in society. Those unable to free themselves from the influence of years of academic training, tend to emphasise the written word, book knowledge and theory divorced from practice. Instead of relying upon the Marxist method

of studying objective facts, an unscientific, superficial and one-sided method is used. This incorrect method starts from concepts, Marxist concepts, of ideas and assertions, not objective facts. Known as the a priori system, the results are a mess, like jumping out of a plane without a parachute.

When the starting point is a Marxist-sounding assertion or concept, the incorrect method is difficult to recognise. With this system a pseudo-Marxist is produced capable of proving (!) that both Stalin and Mao Zedong were anti-Marxists. Needless to say, such pseudo-Marxists do not attempt to rewrite the Marxist Theory of Knowledge or the Marxist scientific method of investigation contained in two essays by Mao Zedong 'On Practice' and 'On Contradiction'.

Faced with their decline as a class, the middle class endeavours to resist their demotion. Representatives within Marxist movements strive to stand on the shoulders of the working class. By adapting the Marxist movement to their middle class interests, they aim to exercise leadership and control of the working class, at the same time as competing with and resisting the similar efforts of the ruling class.

To achieve the leadership of the Marxist movement, to conceal the real agenda, such representatives must appear more r-revolutionary, more hard-line, more principled in defending and propagating Marxism. Much effort is expended in slandering Marxist leaders and socialist construction. The most notorious system that has developed is called Trotskyism.

## **TROTSKYISM — A MIDDLE CLASS IDEOLOGY**

Trotskyism is the system of views and practice put forward by Trotsky in Russia prior to and after the 1917 Socialist Revolution. Representing middle class intellectuals who had no faith in the working class, Trotsky and his followers did their utmost to sabotage the building of socialism. Failing to get support, they degenerated

into agents of imperialist powers.

Trotskyism has not been confined to Russia. It is a social phenomenon appearing wherever there is a middle class, including New Zealand. Its apparent revolutionariness attracts some genuine young people, especially students. While presenting itself as loyal to the working class, it denies the necessity and the ability of the working class to play the leading role in alliances with sympathetic classes and strata. In fact, it thus denies the ability of the New Zealand workers to build a socialist society. By insisting that the working class ignore all other sectors of society and go-it-alone, neo-Trotskyite views are effectively isolating and undermining the strengths of this class.

In failing to make detailed studies of class relations, those influenced by Trotskyist methods rely upon rhetoric, impractical slogans and demands. Reflecting their class ideology of individualism, they portray an elitist attitude and narrow sectarian relations.

Objectively, Trotskyism and neo-Trotskyism are the desperate efforts of the middle and lower middle class to resist their decline imposed on them by the monopoly capitalists' drive for maximum profits. Instead of recognising that the future belongs to the working people and socialism, elements of these classes endeavour to manipulate Marxism with the aim of establishing a role for their class. This goal is of course quite futile. Nevertheless, Trotskyism and its various expressions can trap the unwary.

Without exception, those who continue to slander Stalin and Mao Zedong reveal their true colours and their hidden agenda. They cannot conceal indefinitely their affinity with middle class Trotskyism, their anti-Marxist position or their departure from the standpoint of the working class.

On the other hand, genuine Marxists will persist in studying objective facts and establishing a clear demarcation line between pseudo-Marxism and scientific revolutionary Marxism.

## China's Socialist Economy Forges Ahead

China is one of the booming economies in the world today. While the major Imperialist countries continue to wallow in economic depression, China's economy has grown at an average rate of 7.9 per cent in the last five years. Its trade has grown even faster and is moving into higher technology areas. Its exports of sophisticated machinery and transport equipment rose from 6 per cent of exports in 1988, to 16 per cent of exports in 1992. The growth rate for the next five years, which had been set at 6 per cent, is to be increased to 8 or 9 per cent.

Since 1987, township and village enterprises increased their output value 200 per cent, accounting for one-third of total output of all industries and one-quarter of the nation's total exports.

In the 5 year period, total industrial output value rose at an average rate of 15 per cent. Personal incomes and living standards continue to improve. Average per capita income used by city dwellers for living expenses doubled, and average per capita income for farmers increased by 69.3 per cent.

What lies behind such dynamic growth? The Communist Party of China (CPC) has persisted in seeking a socialist path suited to Chinese conditions; it has upheld the predominant position of the state-owned sector, and it has adhered to Marxism Leninism.

Thus the Chinese Government, led by the CPC has been able to unite the whole Chinese nation in the task of Socialist construction. It is on course to achieve ahead of schedule its ambitious target, set in 1980, of quadrupling the Gross National Product by the year 2000.

## Recovery for Whom

Brierley Investments Ltd recorded an interim tax paid profit of \$112.7 million for the half year ending December, up 25 per cent from same period in 1991. Tax paid - \$3.9 million. (Please note the tax paid).

Thanks to sale of Bank of New Zealand, Fay Richwhite took six months profit ending December to \$49.3 million. Tax paid - \$1.2 million. (Please note the tax paid).

Dunedin based manufacturer, Donaghys Ltd increased profit by 24.7 per cent to \$3.07 million for six months to December.

Defiance Food Industries Ltd, Christchurch based flour miller, owned by parent company, Brisbane Defiance Mills Ltd, reported after-tax profit of \$429,000 for six months ending December 31st.

Progressive Enterprises, owner of Foodtown, 3 Guys supermarket chains and Georgie Pie family restaurants turned in an after-tax profit of \$15.22 million for the first half of the financial year. \$5.66 million was paid in tax. The Chairman reported that the rate of return is significantly higher than that achieved by other major groups in the New Zealand supermarket industry. A major factor was the cost benefits arising from employment contract negotiations and productivity improvements.

Whitcoulls Group Ltd booked a 40 per cent higher tax paid profit for 6 months of \$7.87 million.

Nuplex Industries Ltd, a 26.74 per cent higher profit for six months of \$2,753,000.

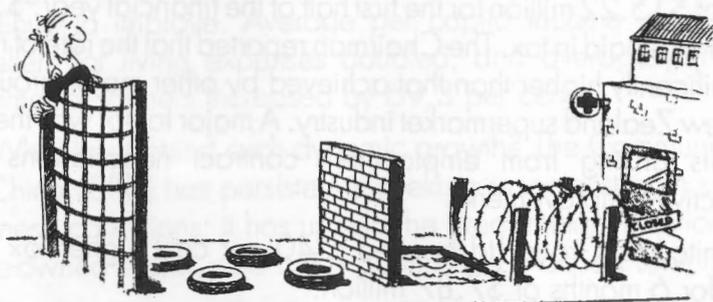
Fletcher Challenge, a 26.8 per cent higher tax paid profit of \$153.53 million for the six months to December 31st. TAX BENEFITS AMOUNTED TO \$80.28 million.

National Bank, profit up 24 per cent to \$102 million for 1992,

\$34 million of which was posted to parent company LLOYDS of London.

Waste Management Ltd, US owned, waste collector and recycler reported a 16.8 per cent profit lift to \$3,646,000 after tax.

In contrast to this 'recovery' for the wealthy, an elderly beneficiary, living alone, is forced to lead the most frugal existence. Among her efforts to stay alive, and live within her budget, this woman walks to the nearest shopping mall each day, where one supermarket serves free coffee and dry bun. Then in her own words she "uses the toilet to save water and toilet paper at home." These regular mall visits keep her in touch with the 'specials'. On cold winter days, the visits are prolonged to take advantage of the warmth and this helps reduce her electric power bill.



THE ROAD TO RECOVERY

## Marxist Books Available

Imperialism — The Highest Stage of Capitalism Lenin	\$1.50
"Left-Wing" Communism — An Infantile Disorder Lenin	\$1.50
State and Revolution Lenin	\$1.50
Foundations of Leninism Stalin	\$1.50
Socialism: Utopian and Scientific Engels	\$1.00
Value, Price and Profit Marx	\$1.00
Wage Labour and Capital Marx	\$1.00
Five Essays on Philosophy Mao Zedong	\$2.00
Reform Our Study Mao Zedong	\$1.00
Rectify the Party's Style of Work Mao Zedong	\$1.00
Communism and Australia I F (Ted) Hill	\$17.00

The full book list may be obtained from:  
BOOKS, PO Box 23-680, Papatoetoe, Auckland  
Please add \$2.00 for postage and packaging.