

Class Struggle 77

Victory to Iraq!

**Workers Fightback
For FARC against US**

Socialise F & P

Expropriate SIDOR

Union Democracy

Vote Labour and Fight

Capitalism and Cuba



Capitalism is slumping into a global crisis and the major imperialist powers are pressing to push the cost of this crisis onto their rivals and onto the world's working class. Thousands of US workers are losing their houses, but millions of the poor are facing starvation as food prices take off.

While US imperialism under Bush, and his proxies Israel and Uribe in Colombia, are fighting several re-colonial wars for oil in the Middle East, Asia, Africa, and Latin America, the alternative so-called 'democratic' imperialism of the EU and of the US Democrats, including Obama, offer no way out for workers. Both the war camp of Bush and the 'peace' camp of Obama and Sarkozy are determined to make the workers pay for the crisis.

Meanwhile in Asia, China is still growing rapidly. A new labour law demanded by workers has increased wages and imposed higher wages for working outside normal hours. The 'West' has taken up the cause of the opposition in Burma and Tibet not because it really cares about 'Human Rights' but because it wants to weaken the role of China in Asia. The 'West' is hoping that the Maoists in China will defend their new capitalist property and suppress the masses. China, Russia and its allies are threatening the hegemony of US in central Asia, and winning support among the populist regimes in Latin America. Latin America has now become another hotspot of inter-imperialist rivalry.

In the article on the war in Colombia we show that in the latest front in the war on terror, in Latin America, there are two 'Plans Colombia'. Tough cops Bush and Uribe want to wipe out the FARC, split the Media Luna from Bolivia, and take most of Latin America's resources for itself. Soft cops Obama and Chavez, aligned to the EU and China, want to negotiate a disarmament that will lead to the FARC being turned into a legal opposition able to sign deals with the EU and China.

In Iraq the 'surge' has led to a revival of the resistance around al Sadr from Baghdad to Basra. The puppet regime found that its army and police could not defeat the Mahdi army. 1000s of the Iraqi army refused to fight and deserted

or joined al Sadr's forces. The purpose of this attack was to smash the strongest element of the resistance committed to a united Iraq. Al Sadr is demanding a high price to buy into a US 'peace' in which his faction will benefit from any partition of Iraq and a major share of Iraqi oil.

The fact is that there is no such thing as 'peace' for Iraq under imperialist plunder. The masses will never agree to having their bread and oil stolen. As we have seen in Palestine for years, 'peace' means doing deals with local bourgeoisies like Al Fatah, Hezbollah and Hamas who are franchised by imperialism to imprison the masses. In Asia, Africa and Latin America the masses are already rioting in the fact of rising food prices.

In NZ, the US crisis and falling dollar against the NZ\$ is already clear with the collapse of the housing market and a number of finance companies. But this is not just a 'financial crisis' like the 'democratic imperialists' of the World Social Forum say can be countered by the 'socialist market'. Global production is also restructuring rapidly around the rise of China and in NZ we are can already see the effects on workers with the closure of a number of factories, that cannot compete with Asian and Latin American cheap labour, and the plundering of farms, fisheries and forests by the multinationals.

The only way out for workers in this showdown that is looming is to mobilize their own independent, militant power to fight back and defeat both wings of imperialism. To meet the offensive against workers lives and livelihoods, we call for a workers counter-offensive.

- Workers control of production!
Occupy the closed factories; take over the farms and take back privatized state assets under workers control! Occupy, nationalize, socialize!
- Against imperialisms wars to re-colonize Asia, Africa and South America! Free Gaza! Free Palestine! Free Iraq! Free Kurdistan! Free Kosovo! Imperialism Out! Israel Out!

Colombia: War for oil in Latin America

The three states that are in conflict over Plan Colombia fly the same Tricolor flag and were once part of *Gran Colombia* liberated from Spain by Simon Boliva (along with Bolivia and Peru). They were soon divided by vicious wars fought among rival factions of the landed oligarchy that inherited the land and the class power from Spain.

Now the surviving mestizo landowner elite is rallying around the Uribe regime in Colombia and fighting a rear-guard action against modernizing state bourgeoisies that are the class base of the Chaves and Correar Governments. In Bolivia the Santa Cruz oligarchy controlling 80% of Bolivia's oil, gas and mineral wealth, is on the point of seceding from the rest of Bolivia.

Today this fight is taking the form of a US-backed 'war on terror' against so-called narco trafficking by the FARC –the Maoist guerrilla movement that has fought the landed oligarchy for 40 years. Today the FARC are trying to negotiate 'peace' and recognition as a populist political opposition. It wants to follow Chavez and Morales and stand in elections.

But in reality what is at stake here is a conflict between that traditional section of the landed oligarchy which is linked to US imperialism, and the state-based 'Bolibourgeoisies' of Chavez, Correa and Morales linked to EU imperialism, and allied to the Castroite bureaucracy that is restoring capitalism with the help of EU multinationals. Uribe's war against the FARC is in reality a proxy war of US imperialism trying to defend its stake in oil, gas and other vital resources in Latin America. The growing US recession is adding urgency to the grab for oil and gas in Latin America.

Our first impressions are that the oil/war fraction of the US ruling class opening up a new front in the war on terror in Latin America is well timed. Iraq and Kosovo are victories for the US ruling class. The US has won control of Middle East and Caspian oil at the expense of

the EU, Russia and China. The time is ripe in Latin America for a US offensive. Chavez is challenging ExxonMobil, Fidel Castro has handed over to his brother, and McCain is heading for the White House.

It must now attack the EU and Russia/China in Latin America to defend and extend its oil interests. It is doing this by branding 'communism' as terrorism. The FARC are the Red Al Qaeda and those who make peace with 'red terror' like Chavez are labeled terrorists. A re-colonising war for oil in Latin America has the dual objective for the US ruling class of winning the oil and smashing popular resistance in Latin America and at home. The Democrats have already conceded to this plan. Clinton has labeled Chavez a 'dictator' and Obama has called for the destruction of the FARC if it does not disarm.

Chavez, Castro, James Petras and Celia Hart all see the 'peaceful plan Colombia' as feasible. But this is not the 1980s. Oil is gold (petrodollars). Saddam surrendered but was still invaded. The FARC will not be allowed to surrender, it will be

demonised. Those who make peace with it will also be demonised. Already Chavez is accused of selling FARC depleted uranium for a dirty bomb!

Our first line of attack is mobilising workers' and poor farmers' congresses to defend the FARC and evict the US and its stooge Uribe from LA, but with no political confidence in Castro, Chavez, Correa, or the FARC who want to enlist EU capital in their plans for market socialism. We raise a full transitional program of councils, militias, and expropriation under Workers and Peasants governments in a Socialist Federation of the Americas!

The full Leninist Trotskyist Fraction Declaration on Colombia is on <http://www.redrave.blogspot.com>



Socialise Fisher and Paykel

The closure of Fisher and Paykel's Dunedin plant is further proof of the necessity to fight the devastating effects of capitalist crisis on the working class by our class taking control of the economy and running it for meeting our needs and not the bosses' profits.

As US workers have found, globalisation has decimated industry and exported blue collar jobs. Since the opening and deregulation of the NZ economy in the 1980s NZ has undergone a similar de-industrialisation. The response of Labour Governments and the unions has been to try to increase valued-added production and up-skill the work force. Fisher and Paykel was the poster boy of the knowledge economy. It was no producer of raw commodities. As tariffs came down and much of NZ industry collapsed, F&P could export whiteware and compete on the world market by applying new technology to stay a world leader. What went wrong?

Capitalism is what when wrong. Not FTAs, and over-valued dollar or a 'moral failure' as the EPMU thinks. F&P is a capitalist firm. It has no obligation to its

workforce to make a loss. Those who say that it was economic mismanagement, or China, or wrong economic policies, are reformists. They think that there are good capitalists and bad capitalists, and forming partnerships with good capitalists to manage the economy is all that it takes to benefit everyone.

The EPMU was very good at its 'partnership'; with F&P. For many years they were virtually a company union, weeding out the 'troublemakers' like Peter Lusk, virtually acting as human relations managers for F&P. Now, F&P have proven the class collaboration of the EPMU over many years to be one gigantic betrayal of workers.

In the last issue of *Class Struggle* we criticised the gutless, undemocratic, paper tiger EPMU at F&P and called for the

democratisation of the union. We now think that this was too kind to the EPMU. We said that workers should take control of their workplace.

We now say that this cannot be done by the EPMU. F&P workers need to form their **own rank and file strike committee** independently of the EPMU leadership, who are in partnership with the bosses, and prepare to occupy, nationalise and socialise the company.

- **Demand more information: open the books!** Workers will find that they are the ones who make F&P profits. The technical experts produce the new designs, and the process workers produce the machines. The only skill that managers have is to calculate how

to make profits and when to leave to make bigger profits overseas. On top of that, F&P has had big subsidies from central and local government.

- **The workers must demand that F&P Mosgiel plant is nationalised** jointly by central and local government, and administered and managed by the workforce. Because it is the workers labour and skill, and government incentives, that make up F&P profits, (and workers have no savings and cannot afford to borrow money to buy back what is already theirs) we say that **no compensation should be paid to the company!**
- **Take this fight to the Auckland plant and to F&P plants in Thailand, Queensland and Los Angeles!** F&P management have given the same reasons for shifting production from Australia and the

US. Lower costs. Australian production will be moved to Thailand, and the US production will be shifted to Mexico. We say Australian and US workers should fight this decision alongside the NZ workers. F&P say that the Auckland refrigerator plant will continue production for the Australasian market because it produces smaller models preferred by workers in those countries. But these workers will buy cheaper but bigger imports!

- **In the face of the bosses offensive to cut costs at the expense of workers, we say the workers counter-offensive must be one of challenging the bosses right to own and control production!**
In Iraq, the oil workers of Basra are fighting for workers control of oil to prevent big oil from plundering this resource.

In Bolivia, workers and peasants

are demanding the gas be "100% nationalised" and to expropriate the MNCs.

In Venezuela, Chavez is nationalising key industries under pressure from militant workers.

In China and India, poor peasants are mobilising to prevent their land being expropriated.

In Australia, Aborigines are demanding land rights. In NZ, Maori are demanding return of stolen land and control over Foreshore and Seabed resources.

When the workers and poor peasants of the world unite to go on the offensive against the bosses' crisis, and take over the ownership and control of means of production, distribution and exchange, we shall be able to produce for our needs and not their profits.

Workers fight for pay out from Spotless

Cleaners and doctors taking strike action. Health Boards are in Crisis. The Health sector needs a urgent bypass. We say that the only way to make health work for the people is to put it under the control of the patients and the medical staff! Health does not need the Wayne Browns, the Michael Laws and the David Cunliffes. The workers know what they need. Socialise the Health sector!

Service & Food Workers Union (SFWU) recently re-ran pickets of hospitals and the Spotless Company head office. A campaign to raise 'public awareness' of lack of progress in getting the pay rise they had fought for, and thought they had gained. It appeared they were trying to apply public pressure onto an employer. Trying to raise the issue of wages and conditions for these low-waged workers, and have public support shame a capitalist into shaving profit margins and paying better.

The next step in the SFWU campaign is a planned 55/60mins strike and 5/60mins work. These actions may be disruptive, however do not shut the site down. The action might "rub management's nose in it" by forcing managers to do the hard work for a change, but the employer will still be paid.

One Health Board has been able to get Spotless out of the catering contract, but only moved those workers sideways under a new boss. Even there orderlies, and cleaners remain stuck with Spotless as their nominal - legal employer. Workers might get sucked into thinking that Spotless was a bad employer compared with others, instead of criticising the whole system being a rotten-capitalist economy. Return all government funded services under the state sector with no compensation to capitalist sub-contractors. End contracting out.

The health workforce are all working for people generally – the patients – unfortunately within a capitalist class society that means that health workers work to reproduce people in to their roles within capitalist class relationships. Workers are funded by the capitalist nation state and are paid from the labour of the working class.

Workers in hospitals have problems taking strike action to support their claims: Strike action in hospitals is not effective because no-one wants to stop emergency services or endanger life – that would be inhuman. Health workers cannot stop the employer collecting their funding, when this is from the government (Ministry of Health or ACC, or health insurance companies).

How do health workers defend their needs and fight for decent wages and conditions? All workers need to join together to fight for multi-employer collective agreements to cover both Health Board and "Non Government" workers. In that way the standards of services can be raised across the whole health sector.

At each hospital organise on site meetings of all union members, for all services of the region. To plan for workers occupation of the hospitals and health services – lock managers out of our hospitals, for united union action - coordinated action. It is essential that health

workers make links with the rest of the working class for support. With the support of workers in the Ministry of Health and ACC, and health insurance companies the money could be stopped from flowing into hospital management coffers.

- Health workers need the support of the local working class to defend our hospitals. Workers need to support each other to take on the capitalist motives which are driving the under development of health services.
 - For local workers councils to inspect the DHB's books, to prepare united workers action to defend health services against privatization.
- But the interests of the separate unions' paid officials may not be served by workers united action.
- Fight for Multi-Employer and Multi-Union collective Agreements as a step to ending the bulk funding of workers wages – for national collective agreements to be with the real employer – the government. Like teachers are paid by the Ministry of Education – for all Health workers to be paid by the Ministry of Health.
 - Prepare for workers occupation against contracting out services.

BRIEF STUFF

G-Whiz – “we are all in trouble”

Tony O'Reilly owner of the *NZ Herald* is behind a plan to rescue the financial speculators – socialism for the rich! O'Reilly owns lots of newspapers. He brags about increasing his investment in India. “Investing in the Indian economy has already paid good dividends for his INM in just three years. “We have put in approximately - in New Zealand terms - let's say, \$60 million, and today it's worth \$320 million,” Sir Anthony says. [*NZ Herald 1 March 08*].

Like George Soros he's worried that the global economy is about to collapse because of the actions of irresponsible investors (not himself of course). “It is an American crisis that is part of a world crisis, which is caused by systemic over-reaching and imprecision in



the banking system... We are all in trouble”.

His solution is the not the G 7 or G 8 but 'G-whizz'. What this means is that all the central banks should combine to bale out all the big banks that are about to lose 100s of billions in bad debts. And you know what? It has happened. The central banks are baling out the big banks to the tune of 100s of billions. Bear Stearns got taken over by JP Morgan by \$2 a share. Now the rest of the banks are getting loans for nothing. They don't even have to pay it back! Their clients will do this! Talk about socialism for the rich.

Of course most bosses are, like O'Reilly, blaming irresponsible banks, nothing to do with core capitalism, they say. So it's not the market at fault, just a few rogue financiers.

Many of the left believe them too, conveniently talking about finance capital as if it is separate from the production of profits. [see *Credit Crisis* in this issue]

But since Lenin's times, finance capital has no real existence outside the productive sector. If it is not invested in the production of surplus value, it is just money that devalues.

If it is invested in junk bonds and other forms of speculation, it is only redistributing already produced surplus-value. Thus the 'g-whizz' that O'Reilly has discovered is still far from the truth. When he says “we are all in trouble” he really means his own class, the capitalists. For them the 'trouble' is only

starting. The real 'trouble' will come is when we get organized!

Credit Crisis or falling Profits?

Socialist Workers says that the current credit crunch is all about financial speculation.

<http://unityaotearoa.blogspot.com/2008/03/2008-banking-crisiswhy-housing-bubble.html>

Does this mean that capitalists are irrational for paying workers less than they need to survive? The writer makes it sound like a bit of forethought, or less greed, could have avoided the credit crunch.

But this crisis is caused by the anarchy of capitalist production that flows from the contradiction between production for exchange and production for use. On the one hand the bosses will always screw the workers driving wages down, especially when there is a surplus supply of labour on a world scale, and still they cannot make enough profits to cover their investments.

Unable to invest productively to return a profit, they then look for areas where they can get a return. That is why surplus money capital looks to bet on high risk investments, like workers housing, which they cannot pay for as rising demand drives up their prices, and falling wages cannot meet the mortgage repayments.

But bad debts from falling wages and rising house prices is not the fundamental cause of the current crisis. It lies behind the fact that workers wages are falling –the same old crisis of overproduction of capital that cannot make a profit.

The basic problem with the SWs explanation is that it originates in the circulation of capital outside of sphere of production. It is in reality no different from the market ideology found in all the bosses' newspapers the writer quotes including Brian Gaynor of the *NZ Herald*, which comes down to neo-classical assumptions about supply and demand.

No wonder the SW writer's only proposal to end the housing crisis is to ask the state to subsidise workers housing. What about even the most minimal demand of a crash state rental housing program, and taxing the rich to pay for it? This was after all one of the principles of the First Labour Government.

Isn't it embarrassing to fall short of the housing program of the 1930's Savage Government? Or being to the right of Chris Trotter? [see review of *No Left Turn* below]

Of course, no Labour government let alone a National one would step in to prevent workers from being evicted. That will be the task of the labour movement.

Recognising this elementary fact, a socialist organisation should state openly that there will be no solution to the current crisis short of workers' organising for a workers government to expropriate the housing that they need, and creating a single state bank to fund the building of any shortfall.

Who's the richest prick of all?

Another rich prick 'marketeer' returns when he is needed. Smug ACT bastard Roger Douglas. The same Roger Douglas who 'rogered' the working class in the 1980s and



then hired out his marketeer skills in Eastern Europe in the 1990s when the workers states were on their knees.

Roger is no relation to Ken, the ex CTU president who sold out the general strike against the Employments Contract Act in 1991, and who now sits on several company boards including that of Healthcare NZ that whose CEO sat on the Hawkes Bay DHB Board and sought a multimillion dollar contract with the Board. But both know how to 'roger' the workers.

Labour complains about John “I did not say that quote” Key is a rich prick. He got rich by helping speculators to bet on the rising value of the kiwi dollar. But so is Owen Glenn who funds Labour's elections, and all the other big bosses that Labour sucks up to

The difference is that Douglas is a political traitor of the first order being the son of a famous Labour father and grandfather and using the Labour Party as a vehicle to launch neo-liberal “shock therapy” on NZ in the 1980s. They all deserve our total contempt, but we should save our deepest class hatred for this rich prick!

There is only one reason that Douglas wants to be elected for ACT, and that is to complete his rightwing agenda at a time when the National Party is primed for power after 9 years of a Blairite Labour-led government preparing the NZ economy for re-colonisation by US imperialism, or takeover by China in its rapid rise to become the dominant capitalist power in then Pacific.

Douglas is the man to unleash a new round of 'shock therapy' to the NZ economy to plunder its raw materials and labour power.

Chavez says 'nationalize' SIDOR – we say workers' expropriation!

Following the assault by the National Guards on the striking workers of Sidor, the workers called on Chavez to nationalize the steel works. Mobilising other unions in support of their strike the SIDOR workers directly confronting him at a meeting at a university, challenging him face to face to nationalize SIDOR. Chavez indicated that he would consider it, and later his decision was announced. But this is likely to be another fake 'nationalisation' from above along the same lines as the other 'nationalisations' under the so-called Bolivarian Revolution.

Chavez has renationalised many plants but paying big compensation well above the prices paid when these enterprises were privatised. For example CANTV and ELENCAR. Chavez is also making joint ventures with the big oil companies in the Orinoco Basin.

He has recently declared that the cement industry owned by CEMEX of Mexico or LAFARGE of France, but will compensate them at inflated share prices. We are yet to



see what Chavez proposes for Techint which owns 59.7% of Sidor (the state has 20.3%, and workers and pensioners have 20.1%).

Left cover sows illusions in Chavez!

The 'Militant' tendency is calling for 'opening the books' to show that no compensation should be paid. This subordinates workers demands to the bosses book-keeping. Why should the books of capitalists be required as permission for expropriation! Trotsky's transitional demand to 'open the books' related to a period when the huge capitalist monopolies were privately

owned and the demand to nationalize them had to be popularized in the working class.

In Venezuela today, even Chavez calls for nationalizations, but they are really joint ventures between the state and the Bolivarian bourgeoisie. Today 300,000 "socialist businessmen" support Chavez government plans for state capitalism. <http://www.permanentrevolution.net/?view=entry&entry=2042>

The fake Trotskyist JIR [Revolutionary Youth aligned to the Argentinean PTS – Socialist Workers Party, no relation to the British SWP] correctly points to the build up of union support that forced Chavez to act. They do not say that Chavez acted to stop the workers from taking an independent road to revolution. Chavez is a Bonapartist and his task is to contain the workers' struggle.

The JIR now calls for more union pressure on Chavez to demand that he 'Nationalises 100%, with no compensation, and under workers administration'. The problem is that the JIR does not say that to achieve this will require the self-organisation i.e. independent mobilisation, of the working class, and a program for expropriation of all the important sectors of the economy.

Chavez represents the Bolivarian bourgeoisie, and calling on him to 'revolutionise' social relations instead of building an independent struggle to carry this out, is providing 'left cover' for Chavez's popular front.

We can see here that the fake Trotskyist left continues to sow illusions that Chavez can be pushed left by popular pressure so that he expropriates capitalist property. But Chavez will never expropriate the capitalists. Chavez pays compensation, and the workplaces are 'expropriated' to date jointly managed by the workers and the state which represents the 'Bolivarian bourgeoisie'. So the Bolivarian state will negotiate with the imperialists of markets and prices, while the workers will continue to be exploited. These 'nationalisations' are in effect 'joint ventures'



between the Bolivarian bourgeoisie and imperialism!

The only demand that should be put up by workers is 100% nationalisation, that is, workers' expropriations with no compensations and under total workers' control won by the occupations and strike actions and self-organisation of the working class into workers' councils and militias!

To fight and win this, the Sidor workers will have to mount a campaign to get all the unions behind them to unite their forces to implement the expropriation of all major industries such as oil, large landholdings and private banks, and to build workers and poor



farmers councils and militias, and rank and file military committees independent of the state and its officer command.

We are for a socialist Venezuela as part of a Federation of Socialist Republics of Central and South America!

NATO's Kamp Kosovo

US and EU have engineered a new NATO protectorate to oversee the flow of oil from the Caspian to the West. It is called Kosovo. It took a 78 day NATO bombing in 1999 followed by military occupation of 70,000 NATO troops to carve out this territory from Serbia. The economy was privatized, bases built and Kosovo was ready for 'independence'.

What it really is about is the creation of a US protectorate around several US bases built as an outpost of the US empire in Eastern Europe. The US has built a massive base, Camp Bondsteel, in the south of Kosovo, just over the border from Albania, to protect the new AMBO oil pipeline that crosses Bulgaria, Macedonia to the Albanian coast. Albania would not agree to the pipeline until Kosovo was separated from Serbia.

So this declaration of independence has nothing to do with Kosovar self-determination, and everything to do with US re-colonisation plans for central Asia, and control of Caspian basin oil.

Can the Mahdi Army win Iraq's 100 Years Oil War?

It's a common misconception to think that Iraq has been at war for only 5 years. To understand the current Anglo/US occupation we have to go back to the first imperialist invasion during WW1. This was a continuation of long standing imperialist divide and rule wars of the period.

<http://gowans.wordpress.com/category/iraq/>

It was Winston Churchill who said "I hate Iraq, I wish we had never gone there"... "Week after week and month after month for a long time we shall have a continuance of this miserable, wasteful, sporadic warfare marked from time to time certainly by minor disasters and cuttings off of troops and agents, and very possibly attended by some very grave occurrence." [Churchill, to Lloyd George, 1920].

Churchill would be having fits right now as all attempts by the US and its puppet government to take out Muqtada al Sadr have failed. Instead the resistance is gaining in strength and the government police and

troops have been deserting and even joining the Mahdi army.

This means the US and puppet PM Maliki have to cut a deal with al Sadr that



allows him a share of the oil wealth in the South. War is politics, while politics is an extension of economics. In Iraq and the rest of the world, economics is mainly about oil. The US has won its battle to create military bases in Iraq but it needs to find willing partners to stabilize Iraq.

It now needs to find reliable franchise holders to keep the peace while the oil is pumped out. In the North the Kurds want a

separate Kurdistan. But the US, backed by Turkey and Iran will never agree to that. Instead they will arrange for the Kurds to share in the oil in the North.

In the centre, the oil rich region around Kirkuk is being disputed by the Kurds who want it as part of Kurdistan. Saddam Hussein ethnically cleansed Kurds from Kirkuk to punish opposition to his regime. Today the Kurds are flooding back to claim the billions of barrels of oil in the region. Some deal will be made to allow a sharing of this oil to arrange a deal with Sunni warlords and al Sadr to stabilize the centre of Iraq.

But this wheeler-dealing with imperialism to share out some oil profits among the most powerful factions of bourgeoisie is not a victory for the people of Iraq.

Only a united Iraqi workers' armed resistance can prevent the breaking up of Iraq into three US military protectorates and liberate Iraq as a socialist republic in a federation of Middle East Socialist Republics.

Union Democracy

In the last issue of Class Struggle we reported on the amalgamation of NDU, SFWU and Unite! being driven by the official without the active intervention of the membership. We have no reason to change that view. Reports in the news media claim that the new union will have 50,000 members and its strength will be in its numbers and ability to influence government. This was the same argument foisted on workers during the Fourth Labour Government when the CTU was formed. The CTU would unite the unions into a force that could act in 'partnership' with government and the employers to run the economy. The TUF stayed out of the CTU at the time fearing that the sheer numbers of the state sector white collar unions would make the CTU conservative. How right they were! It was these unions, despite overwhelming votes in support of a general strike by their memberships that voted to back Ken Douglas and prevent a general strike against the ECA in 1991. Now the amalgamation of Unite! with two older unions that have a history of backing Labour Governments is going ahead without full discussion by the rank and file. The members of these three unions need to use their existing union rules to challenge this process. It could be that the members would be happier to unite in struggles on the picket lines rather than formally amalgamate into one super union. If the amalgamation is to go ahead it should be run by the members and it should come up with a constitution that is much more democratic and independent of the state than the current constitutions of the three unions. Here we point to the shortcomings of the existing constitutions, and then we put forward some ideas on what a really democratic, militant union constitution would look like.

First we compare the existing constitutions of the three unions involved

1. Union Structure

The NDU and the SFWU are organized on both regional and sectoral basis, with specified numbers of delegates from each sector attending biennial national and regional conferences held on alternate years. In Unite! there is currently no constitutional provision for sectoral representation, though positions on the national executive (Management Committee) are reserved for regions, and the 2007 AGM announced a constitutional review with such measures in mind. NDU and SFWU also have national and regional representation for Maori, Pacific Island and Women at dedicated conferences and committees and with positions allocated on the National Executive. SFWU has similar representation also for Youth Affairs.

2. Policymaking & Governance

In the NDU the biennial delegates' conferences are the supreme policymaking and governing bodies of the union at which remits are voted on. Only elected delegates have speaking and voting rights at these assemblies, though ordinary members are entitled to attend and may be granted permission to speak. AGMs are held at the same time at which all financial members have speaking and voting rights. It is unclear whether resolutions of AGMs take precedence over those of biennial conferences.

In the SFWU policy remits do not take effect until passed by AGMs, although before being put to an AGM they must first be put before delegates' conferences, which vote on whether or not to recommend them. Speaking and voting rights at AGMs and delegates conferences are similar to those of the NDU.

In Unite!'s constitution it is the AGM which is

the supreme governing body. Delegates' conferences have no constitutional status, though constitutional amendments in the pipeline may change this if amalgamation does not eventuate. What in the other unions is called the National Executive is in Unite!'s constitution termed the Management Committee. NDU has a Management Committee comprised of designated officers as well as an elected National Executive.

3. Election of Officers.

In Unite! the national positions of President, Vice President, Secretary and Management Committee members are all elected at the AGM, that is annually. Thus all financial members get to vote on all positions.

In the SFWU all financial members appear to get to vote for national president and vice-president and for regional presidents, vice-presidents and secretaries, but the National Secretary is appointed by the National Executive

from amongst the (elected) regional secretaries. In this reader's recollection, the constitution did not clearly spell out how the elections are to be conducted, but according to a delegates' manual it is at the AGM.

In the NDU only delegates get to vote (at biennial conferences) for national and regional officeholders. Their terms of office are thus for two years, with the exception of national and regional secretaries, whose elections are held only every second biennial conference and whose terms of office are thus four years.

4. Notification of Meetings, Elections etc.

The SFWU and NDU constitutions allow ample time before elections for the calling of nominations and publication of candidates' manifestoes. The same applies to the calling for and publication of remits. Unite!'s constitution allows barely adequate time and its wording is ambiguous enough to admit of restrictive interpretation.

5. Recall of Officers.

Before their term of office has expired, officers performing unsatisfactorily or guilty of misconduct may in the SFWU and NDU be recalled by an SGM of the union. In either union this SGM may be called by the president or the national executive or by a petition of the membership. In the case of the SFWU this petition must hold 50 signatures of members entitled to vote for the position; in the case of the NDU it must hold the signatures of 10% of the voting membership.

In Unite! The Management Committee may by a two-thirds majority vote remove an official from office, with that official having the right of appeal to an AGM. There is no constitutional provision for ordinary members to initiate recall proceedings unless it is by remit to the AGM

6. Delegates and Site Meetings.

In Unite! delegates hold office for a term of one year. In NDU the term is for two years but there is constitutional provision for recall by a petition (to the Head Delegate) of 10% of financial members. In all unions site meetings may be called by authorised officials of the union or by petition of 10% of financial members.

Well now deal with how these provisions can be democratised starting with the membership and then the election of delegates and officers by the membership!

- Unemployed and other beneficiaries shall have equal rights with employed in the union.

This is a provision of the Unite! Constitution that is not practically

implemented except in the Waitemata branch of Unite! It needs to be a central principle of any union, let alone a super-union, to represent all members of the working class, whether in paid employment, unpaid labour, on the unemployment benefit, or on any other benefit paid to a person whose main income would otherwise be the wage.

All members have the right to vote for delegates, officials and remits to annual conference. There must be equal funding and provision of resources for unemployed and beneficiaries as for employed members.

Union dues should be graduated according to level of income with unemployed and beneficiaries paying no more than 1% of income.

Members can be organized into locals, and regionals, for the purpose of uniting members from different sectors, worksites, employment status, and special interests.

Special interest groups must have the right to caucus separately, that is, to organize their own meetings, and to have speaking rights at workplace and other membership meetings.

- Delegates elected, accountable and replaceable by the membership that they represent.

All delegates should be elected by worksite membership, or by the unemployed, beneficiary and unpaid membership in each region, annually and at least six months before annual conference, on the basis of 1 delegate for each 20 members or less.

Delegates should canvass support in a written statement that **may include qualifications to represent various categories of members, including special interest groups**, two weeks before elections. In a super union of 50,000 members this would mean a national delegate body of 2,500.

Delegates are mandated by decisions of their membership to vote according to their decisions on remits and candidates for office with no individual discretion.

Delegates can be recalled by 10% of the membership they represent and replaced as delegates by a simple majority. Delegates are obliged to meet with the membership weekly to report on union affairs to discuss workers issues and educational material.

Officials, organizers etc, must arrange onsite or other meetings with membership through the delegates. It is the delegates' responsibility to collect membership dues and keep accounts open to the membership.

- Officers are elected by annual conference and return to the workforce after 2 years in office

The annual conference is the supreme decision making body of the union. The delegates are mandated by their members to vote as instructed on remits circulated at least two months before each annual conference. The delegates are mandated to vote for all those who hold a position of responsibility in the union according to the votes of their membership.

No elected or paid official should be paid more than the median wage [the largest group] of union members.

Elected officials can be recalled by 10%, and suspended by 50%, of the voting members, and replaced either at a SGM or the AGM by a simple majority of delegates. Special General Meetings can be called by 10% of the membership. Elected officials shall not be voting members or have the right to call SGMs.

- For complete rank and file control of industrial negotiations and actions

Agreements should be negotiated by a committee of delegates elected by the rank and file for that purpose. Negotiations must be reported back to the membership at least weekly. Stop work meetings must vote on all agreements before any 'deal' is signed off by negotiators.

Strike committees elected by the members on strike (or locked out) must be in charge of strikes, actions and pickets, and the use of strike funds. During strikes and lockouts, the strike committee must report to the membership daily for discussion and voting on proposals and actions. **State funds for education and training under the control of rank and file committees.**

- Review, and ratify endorsements of political parties by a 2/3 majority of members at each AGM.

Any political party supported with union funds needs to be have a budget limit set and ratified by 2/3 majority of members. Where 2/3rds of the membership do not support any exiting party, members can nominate candidates on a workers program in an attempt to get 2/3rd majority membership support.

Labour and Election '08

*The election campaign has begun. The Clark Labour Government has run its course and prepared the way for the return to a National government that will openly attack the working class to make it pay for the bosses' crisis. Key wants lower wages, tax cuts for the rich; an end to all 'compliance costs' –i.e. carbon trading, renewable energy, sustainability etc –to allow foreign capital to rip the guts out of the country. Does that mean that we think voting for Labour will meet the needs of workers? No way! Labour has always sold out workers (see **No Left Turn** review). But Labour is different from National because it claims to act for unionized workers and has to deliver or suffer the loss of its core constituency. The fact is that despite its open attack on workers in the 1980s, Labour won back most of its disaffected working class support by 1999, having lived under the vicious new right attack of Richardson's benefit cuts and the ECA. In 1999, and in the two elections that followed, Labour has returned to office on the strength of the loyalty of its working class base in the cities such as South Auckland. Our position therefore is to support Labour's re-election until such time as its working class support in the trades unions breaks from Labour and forms a new workers party based on class struggle in the unions.*

What does election year mean for the working class?

Parliamentary politics is a noisy competition for the ears of the politically thinking population. However instead of being useful and raising consciousness of issues important to working people; generally parliament is an institution which obscures capitalist class relations. Most political parties argue about the "best for New Zealand" and so their politics are really based around some version of nationalism.

They compete to offer the best "way forward for New Zealand" e.g. National / John Key's - "Ambitious about NZ". This shows parliament deliberately identifies all class interests with the nation, and tries to contain and pacify the working class in our struggles to meet our basic needs.

The mis-leaders of the working class continue to suck workers into support for the Labour party. The council of trade unions (CTU), the Engineers and the Service and Food Workers union, retain their links with the Labour party. Many union officials continue to be members of the Labour party, some with aims to move into parliamentary politics as Labour MPs. For those workers who have some faith in the Labour party due to its working class origins or connections; Labour remains the best prospect for meeting the needs of the working class.

As revolutionaries we will not abandon this significant layer of the working class, and we will also vote Labour as a critical support tactic. We want these workers to see Labour exposed as a capitalist party which does not meet workers needs because it serves the interests of capitalism first and foremost.

The only way for workers who support Labour to see this, in practice, is for Labour to be in government. The Labour government of 1984 to 1990 was seen by many workers as a capitalist government: which it was. But those who continue to support Labour now, claim it was highjacked by the "right wing" of the Labour party.

These apologies are weak given the damage done to state property at that time

and the attacks on jobs, living standards and basic rights. Capitalism was able to restructure itself and restore its profits at the expense of workers..

What have Labour-led governments done for workers since 1999?

Legislation which set the rules for relations between workers and capitalists are one crucial area to evaluate:

Employment Contracts Act:

How have workers gained from the replacement of the ECA by the ERA? Apart from legitimating the role of unions and making it easier for unions to recruit members (membership is up), the ERA has given little to workers. In fact it may have tied workers more strongly into the legalities of conducting class struggle within the limits of the ERA.

The ERA takes workers struggle off site and into the hands of union officials and lawyers – this is disempowering for workers. Unions can be fined for taking strike action. Now the State (through the Employment Court) can attack and control unions directly. Essentially these laws are used by a capitalist state to control the working class.

We see no reason to stop calling these laws workers "leg irons". The Labour governments "good faith" brand of law might sound nice and fluffy but it does not change the essential guts of the law as the tool of capitalist state control.

Losses of wages and conditions that occurred during the 1990's (ECA period) have not been regained through parliament. The Labour party has left it to workers to organise in unions to fight to regain losses. Gains have been few and far between, and have mostly been fought for with strike action of workers to regain collectives, living wages and conditions (many sites have lost overtime rates).

Workers fighting within capitalist regimes have sometimes won the legal right to strike, including political strikes. However this right

is almost always won by ignoring the capitalists' laws and taking strike action regardless.

Jobs:

While the Labour Party celebrates their claim that unemployment is officially at record low levels (3%), they show no interest in creating jobs for all. Capitalists use unemployment ("reserve army of labour", Marx's term) in capitalist society to keep wages low by forcing workers to compete for jobs.

NZ remains a low wage society in spite of increases to the minimum wage (now \$12 per hour), this minimum does not yet apply to youth or disabled and is not enforced for some vulnerable workers. Increases in youth rates have not come from parliament but from strike action and campaigning on the jobs led by Unite! union.

Labour governments have left the rates of benefits at 1991 levels. This forces beneficiaries into "under the table" (illegal) work in order to get enough to survive. The illegality of this work leaves beneficiaries in a vulnerable position at work, and some are forced into wages below minimum rates.

End unemployment!

- Reduce the 40hrs week to 30hrs with no loss in pay, (that would mean a new minimum wage of \$16hr for all workers, straight away).
- For overtime rates (T1/2) after 30hrs, and double time after 40hrs. Keep reducing the length of the working week hour by hour until there is full employment.
- Increase rates of sickness benefit, domestic purposes benefit and superannuation to meet living costs.

Economy:

While this Labour government has not sold any more state assets: like the 1984 to 1990 Labour government did, they have done nothing to stop profiteering from past state assets. The Labour government takes profits from state assets that are run as if they were

capitalist profit-making businesses. But we get privatisation by stealth instead – promoting “Public-Private Partnerships” (PPP) in development of roading infrastructure (see “Tunnel vision” article last issue). Already the NZ State is in partnership with global capitalists in the Taranaki oil fields.

- We say retake without compensation all the sold-off state assets; railways, telecommunications, airports, banks, oil, coal, forests, electricity and water.
- Where Maori have claims on land involved in these industries then place the control of the industry under Maori and workers control, as public services (not for profit).

Both National and Labour have now committed to tax cuts. No matter what Labour says its lack of funding of social services to keep pace with inflation means that tax cuts effectively are funded by cuts to state services – this is an attack on the social wage of the working class (state services).

- We say scrap GST (Australia has no GST on fresh fruit and veges), no taxes on the first \$500 per week, and increase taxes on corporates.
- Confiscate all the properties / assets of all failed companies and their Co directors, to be run under workers control.
- For public works to develop Maori lands; water, telephone, electricity supplies and access roads to improve access to health and education services; for improved local provision of services.

Retirement:

Labour’s “Kiwisaver” is a betrayal of the original Labour Party vision of the welfare state “from the cradle to the grave” care. Because it asks workers to pay out of their wages, and some companies have even reduced wages equivalent to company contributions. It is a nail in the coffin of state funded superannuation. Private pension funds have been cancelled overseas.

- We say increase state funded superannuation to living rates, adjusted for inflation by workers committees.

Health:

Years of zero funding increases for inflation have taken their toll on hospital services. Instead hospitals have recruited communication experts to push their positive stories. Hospital recruit managers with skills of cutting costs and administration workers with skills of throwing people off waiting lists, and hiding the size of needs, rather than actually meeting needs.

- Tax the rich to pay for funding boosts to health care.
- For the nationalisation of all private hospitals and clinics under workers control, without compensation to the capitalist owners.

Housing:

Under a Labour government there are still huge waiting lists of poor people, who need quality housing. These are even obscured by the state: “Housing NZ”, drops people off the waiting lists for no good reason.

- We say start public works to build quality housing for all.

International Relations:

The Labour government has maintained its role in all imperialist partnerships, supporting practically the US War of Terror overseas: with support to invasions in Iraq (mercenaries and technical back up) and Afghanistan (NZ troops). Labour carried on the US war of Terror within NZ with the Police terror raids. They supported the police actions by funding the “anti-terrorist” team, and not stopping the prosecutions – instead claiming police have independence. And the



prosecutions go on. Labour has passed all the “anti-terror” laws since 9-11.

- Abolish all anti-terror laws.

Free Trade Agreements:

Under Labour the NZ economy is being further opened up to ‘free trade’ and ‘capital investment’ with imperialist countries and with rich semi-colonies like Chile, Singapore and China.

- For workers ownership and control of industry, land and banks.

Please sir can I have some more?

The most which social democratic and Labour parties promise to claim is a bigger bite of the capitalists (owners) pie for workers. Ownership in New Zealand is highly concentrated, with the wealthiest 10% of the population holding over 50% of total wealth and the bottom half of the population owning less than 3% (2001 Household Savings Survey).

Communists say – workers made the pie,

workers all can decide how to share it out – no look in for the capitalists. Capitalism has the finance sector rules set all sweet for the capitalist money lenders. The raised interest rates and falling value of houses squeezes more money out of those workers in any sort of debt including mortgages, to the benefit of the finance capitalists. Some of the working class will lose their homes in mortgagee sales where the bank is going to get the “loan” money back before the workers get their share back (if any).

Green parties claim to make rules so that capitalism won’t destroy the environment, in its drive for profits.

Workers feel the impact on the environment – and are the class that is motivated to solve environmental problems. When workers control production we will work towards a sustainable future. While capitalists control production they will exploit for short term profit.

Indigenous Rights:

Maori party claims that by Maori for Maori, is the answer. Maori workers know exploitation by Maori capitalist ownership is exploitation by capitalism –

- For workers control of the means of production: Maori workers control of the land, of the fisheries, of the foreshore and seabed.
- For working Maori to occupy traditional lands and resources.

For a workers government!

Union members are going to face the situation where most union leaders will be encouraging them to vote for and campaign for Labour and some union leaders will encourage other parties. The EU and SFWU are strongly Labour oriented, and will be putting members time and money into support of Labour’s reelection.

To break from this top-down (bureaucratic) union force feeding of parliamentary politics on working people, we need greater union democracy. For all up meetings of ordinary union members in each local area to discuss and decide on which is the best party to support. If the majority of members reject the Labour Party, we support unions putting up their own candidates on a working class program.

As revolutionary communists, however, we see parliamentary elections as opportunities to raise our revolutionary program. We say that bourgeois parliament cannot legislate for socialism. That must be won by the creation of workers councils and militias and the creation of a workers state able to socialize capitalist property and plan production for need rather than profit.

Iwi Socialism in Aotearoa?

The Foreshore and Seabed settlement with Ngati Porou opens up the road to further struggle to fight for socialism. As with every settlement that creates a legal right over property this right can't be turned into a real economic gain without a fight.

The deal shows that the passing of the 2004 Act which 'confiscated' the Foreshore and Seabed has not blocked off the struggle. It is possible to use this deal as a Trojan Horse to open the fight for workers control. It is a blow to the Maori Party that wants iwi to have private property rights legislated in parliament.

Of course it may lead to that. It is consistent with Labour's 2004 Act. But means that any capitalist exploitation of these assets has to enter into legal agreements not only with the state but with the local iwi and hapu.



Tariana Turia does the Business

This it may lead to capitalist 'joint ventures' to con the people into allowing natural resources to be ripped off by the MNCs, but not without a fight!.

As the global economy enters a period of crisis, bosses will be unhappy with any 'compliance costs' in getting access to cheap resources and labour. For example local iwi may demand 'sustainability' – which may give some actual substance to the hollow claims made by the government when it talks about economic sustainability, particularly in renewable energy. But even such 'talk' has brought the Government into conflict with Multinationals and Free Trade Agreements because they want free equal access to natural resources with no "compliance costs".

So Maori will be pressured into deals by MNCs that leave them with nothing.

The leaders of iwi who will be tempted to become junior partners in lucrative deals with multinationals have to be replaced by leaders who defend the interests of workers. Such deals must be rejected as selling out the peoples heritage for a pocket full of silver

dollars. Turiana Turia claims that there is no conflict between Maori values and Big business.

<http://election08.scoop.co.nz/gordon-campbell-interviews-tariana-turia/>

We are predicting that such deals will come up against the majority of working class Maori who will fight to resist the privatization of the Foreshore and Seabed and assert their control over key resources.

Farmers can join forces with such fights in opposing the privatization of Fonterra and defending their cooperative ownership. Workers and family farmers can form an alliance to oppose the control of land by monopoly capital. The frontier market mentality is now rampant as land and sea resources are being diverted from food production to biofuel. But the starving masses will put a stop to that slash and burn occupation of land and plundering of resources.

Occupy Now, Continuously!

The F&S settlement with the Ngati Porou re-opens the fight to defend common ownership.

It is important to reject the provision in the 2004 Act that requires 'continuous occupation'. Fight the 'continuous occupation' caused by colonial dispossession!

The classic cases included the military sacking of Parihaka which ended the 'continuous occupation' of this settlement, and the military invasion of Tuhoe to suppress the 'rebel' Rua Kenana!

Te Whiti was clear that survival of Maori could not coexist with private property. [On Te Whiti's radical critique of white colonial society. [See *Class Struggle* No 76]. Rua Kenana was fighting for the independence of his people from white settler conquest.

But every Treaty settlement that makes control of resources the peoples business is a step towards the social planning of



Rua Kenana fights colonisation

resource use by the people for the people.

In these debates the needs of the people will be seen to require common ownership and collective labour. You cannot have socialism in one iwi, but fighting for it is step towards a socialist Aotearoa and a socialist world.

What starts at the local level can only be completed at the global level. Local survival and global socialism are inseparable.



Te Whiti rejects money

Aotearoa cannot socialize by itself.

We could start with a socialist Australasia: 1 and 7 Maori now live in Australia. To expropriate the NZ banks means expropriating Australian banks. To expropriate the major industries and corporate farms means to expropriate foreign owners. This cannot happen without the active collaboration of the workers in these countries.

- **Maori struggles show the way!**
- **Occupy the Foreshore and Seabed!**
- **Workers take up the fight!**
- **Forests and land is one thing, but we want the mills and the factories too!**

We don't mean the 'market socialism' being promoted in Latin America by Chavez and Castro.

- **Occupy, Nationalize, Socialize!**
- **For a workers' state and a Federation of Socialist Republics of the Pacific!**
- **For a planned socialist economy!**

[On the question of what socialist planning actually means in a modern capitalist country like Aotearoa see Brian Green's Pamphlet *Planning the Future* <http://www.whatnextjournal.co.uk/Pages/Theory/Articles.html>

How 'democratic socialism' fails the test of Rogernomics

Review of 'No Left Turn': Part 2.

Chris Trotter's book is an argument for 'democratic socialism'. In the period up to the 1980s he argues that the Labour Party's record was to defend the majority of workers. To do that it had to avoid supporting the revolutionary left, and capitulating to the capitalist right. Yet when we come to the 1980s the Labour Party was taken over by the capitalist 'new right', and instead of fighting to take it back, the so-called 'left' split and abandoned the Party and the majority of workers to the new right. This betrayal was neither 'democratic' nor 'socialist', and it allowed the new right to rule by default for the whole the 1990s. This was the "No Left Turn" to end all "left turns".

The first part of this review ended with Trotter's claim that the Savage model of the Labour Party survived the post war cold war and attacks on the 'left' and lived to fight another day.

That day was the Rogernomic revolution in the 1980s. This became the key test of social democracy. If the Fourth Labour government betrayed the workers in capitulating to the 'new right' what was left of democratic socialism?

The standard argument of the democratic socialists is that the party was hijacked by Treasury and the right wing cabal around Roger Douglas and Richard Prebble. The left and centre of the party are portrayed as victims of this hijacking along with the rest of NZ workers.

This is the story that Trotter retails with a few more twists. But the serious analysis of the failure of the 'left' to defend the workers from Rogernomics is conveniently overlooked.

Especially since the 'left' around Anderton had more than a third of the party delegates in support of a program of nationalization!

The centre under Helen Clark and the SUP/FOL was trying to do a deal with the Rogernomes along the lines of the Australian 'compact' i.e. a form of neo-corporatism where the government, unions and employers would run the economy together. This required that the unions remain a strong centralized organization with a compulsory membership.

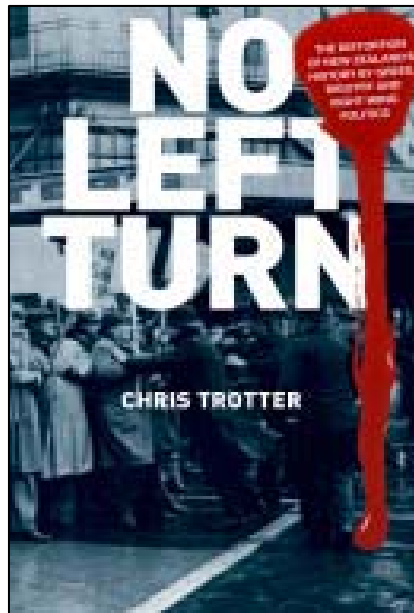
However the 'left' remained dependent on the centre and was stopped by the centre from expelling the right. This was revealed most clearly when the Engineers union bosses stopped Matt McCarten from rolling Prebble in Auckland Central. To avoid Prebble taking the Labour Party to court, the centre threatened Rex Jones of the EPMU to end compulsory unionism. Jones used this threat to bring the 'left' into line.

This tells us that the left was just as much part of the centralized labour bureaucratic machine as the centre.

The pretext that Anderton used to split was his opposition to the sale of the Bank of New Zealand [BNZ]. He was sacked by caucus but reinstated by the Party Council.

But rather than stick around to fight in the unions and the Labour Party organization, he resigned on May 1st 1989 to form the New Labour Party.

This left Lange and the centre to battle on against the Rogernomic machine. Despite removing Douglas and Prebble from Cabinet, Lange could not oppose Douglas when he was re-instated to Cabinet by caucus on August 3. Without the left he was too weak to stop the Rogernomic machine from rolling on.



Anderton's split allowed the right to use its dominance of the parliamentary caucus against the Party to undermine and destroy Lange and force his resignation on August 7 1989. Trotter makes no criticism of Anderton's decision to split clearly agreeing that Anderton made the right move. Trotter was himself a leading figure in the formation of the New Labour Party.

Isn't it incredible that the left would abandon the party of Savage just because the Rogernomes had taken temporary control of the parliamentary party?

The core working class did not abandon the party. Even at its lowest point of 1993 Labour support never went below 34.7% of the electorate. And as we will see in the core labour seats it fought back and rejected New Labour.

Thus Anderton showed absolute contempt for the rank and file organization of the party where he claimed he had a large minority. By turning his back on the Party he showed that the left had no confidence in the union movement, especially the more blue-collar Trade Union Federation [TUF] that had refused to join the state union dominated Council of Trade Unions [CTU]. It was also tactically stupid as the left knew that it was handing the party to the Rogernomes when there was no visible groundswell of support in the union ranks for a split or the formation of a new Labour Party that could quickly replace the old.

Worse, the left *knew* that the majority of Labour voters were not abandoning the party. In 1987 Labour was re-elected with an increased majority, despite some Labour abstentions, because non-Labour voters swung over to Labour on the strength of Rogernomics.

Yet the Anderton 'left' didn't split then – it stayed on inside Labour for nearly two years. The reason was that Anderton hoped to reclaim some control at the top of the Party. He resigned after being narrowly defeated for the Presidency and still with support from the NZ Council which backed his stand against the sale of the BNZ. It wasn't a split that took into account the left's actual support inside and outside the party. It was a bureaucratic split designed to allow time to prepare an electoral challenge to Labour when it seemed to be heading for inevitable defeat.

But this gamble was based on a miscalculation. Anderton's desertion wasn't matched by Labour supporters. In 1990, 14% of 1987 Labour voters abstained, 13% went back to National (having switched to Labour in '87), 7% went to New Labour and 6% to the Greens.

Overall, 35.1% voted Labour, 6.9% Greens and 5.2% New Labour giving a total for the combined left of 47.2% to National's 47.8%! Put another way, Labour lost over 230,000 votes, while between them New Labour and the Greens got almost 220,000 votes. Yet, despite the abstentions and defections to New Labour and the Greens, Labour's core constituency of over 640,000 voters remained intact.

The question that Trotter doesn't ask is this: would the level of Labour voters' abstention have been as high had the left stayed in the party fighting to the bitter end?

Would voters have left Labour in the same numbers if New Labour had not existed? New Labour supporters were those who opposed Rogernomics most strongly. They should also have been most committed to democracy within the party. But they rejected democracy inside the party when they walked out 18 months before the 1990 election effectively disenfranchising many party members and delegates.

Many of the Labour voters who abstained in 1990 were not prepared to vote for New Labour. A survey of Labour supporters found that 51% who abstained stated that they retained their loyalty to Labour compared with 37% of those who voted for New Labour (Vowles et al *Towards Consensus?* 165). These amounted to several thousand Labour supporters who abstained yet instinctively rejected the bureaucratic New Labour split.

Evidence that their instincts were correct comes from *The Great Experiment* by Castles et al. They argue that Labour supporters in NZ reacted strongly against

Rogernomics and wanted a return to 'interventionism' and 'collectivism'. This suggests that when New Labour failed to stay and fight for these principles, especially after the defeat and resignation of Lange, the Government was seen as still committed to de-regulation and Rogernomics. In taking the defence of collectivism outside the Party, the New Labour split undermined the already weak labour movement and its fight against Rogernomics. (207-8).

The second question that Trotter does not ask is this: did those who switched from Labour to vote New Labour or Green split the Labour vote and lose Labour seats?

In 1990 National won by a massive 38 seats. How many of those were lost because of the split? In a number of core working class electorates the Labour, Green, New Labour and Democratic vote combined was more than that of the National winner. In a few of these the New Labour vote alone exceeded National's majority and was likely to have lost the seat for Labour; [in Gisborne (Labour missed by 618; NL vote was 804); Horowhenua, (Labour lost by 413 votes; NL got 744 votes); Miramar (Labour lost by 178; NL got 996); Onehunga (Labour lost by 679; NL got 880 votes); Onslow (Labour lost by 396; NL got 687); Roskill (Labour lost by

722, NL got 876); Te Atatu (Labour lost by 587, NL got 1086); Titirangi (Labour lost by 116, NL got 1160); Western Hutt (Labour lost by 532, NL got 645).]

So the New Labour vote alone cost Labour 9 seats. If we include Anderton's own seat of Sydenham, NL cost Labour 10 seats! The total switch to New Labour, Greens and Democrats (the future Alliance) accounted for at least another 11 Labour losses. [Birkenhead, East Coast Bays, Eden, Glenfield, Hastings, Heretaunga, Manawatu, New Plymouth, Timaru, Waitakere, and Wanganui.]



Jim Anderton

So Labour lost 21 seats to voters who switched to the parties that would soon become the Alliance. A loss that would have been around 40 to 46 became as a result 19 to 67!

Thus when we look at the received wisdom as to why Labour was soundly defeated in 1990 we find that it was only due to National winning support, but Labour losing it to abstentions and defections to the 'left' i.e. New Labour and the Greens.

For the majority of defectors it was a protest non-vote or vote to the 'left' to punish Labour for its betrayals. But what a way to punish Labour, to leave it with only 29 seats in parliament facing an more draconian Rogernomics attack, Ruthonomics, that saw benefits slashed by 10% and the imposition of the ECA to smash the unions.

The National Minister of Labour, Bill Birch, conceded that he expected the strong union fightback outside parliament to force him to concede more to the unions, but this fizzled when Ken Douglas did a deal with Birch to ensure that the ECA would allow unions to be 'bargaining agents'.

In other words, the 'left' New Labour Party had split the Labour Party and

weakened it severely inside parliament, yet did almost nothing to put up a strong fight outside to lead the rank and file in the unions against the sell-out CTU leadership of Douglas et. al. It was doing what the parliamentary party always did, refusing to support extra-parliamentary strike action, and keeping its powder dry to fight another day in parliament.

Moreover, the New Labour Party failed to mobilize much more than 5% electoral support. With the formation of the Alliance a few more former Labour voters and swingers moved to the Alliance whose share of the vote went up to 18.2% (4% more than the combined 1990 vote of the constituent parties).

Yet there is no evidence that it was core Labour voters that swung to the Alliance in 1993 after 3 years of National's Ruthonomics, and the Rogernomes had been defeated inside the party. Labour's share of the vote reduced marginally from 35.1% to 34.7%. But its tally of seats went from 29 to 45. That is, Labour won back 16 seats without any significant increase in the number of those voting because National's support had greatly evaporated. What counted *against* Labour was the role the Alliance played in the marginal, mixed class seats in the smaller cities and provinces.

So the next question Trotter fails to ask is: was the NLP (which had formed the Alliance with Mana Motuhake, and the petty bourgeois Greens, Democrats and Liberals) responsible for this loss in 1993? If these parties had cost Labour 21 seats in 1990, how many did they cost in 1993?

Even though Labour's vote remained static, the big loss for National meant Labour had the chance of winning many more seats. So how many seats did the Alliance cost Labour?

It seems that the New Labour component of 'collective' workers was itself was not a key factor. The most obvious result of 1993 is that in its core seats particularly in South Auckland, more workers rejected the Labour/Alliance split. In Otara for example Philip Field reclaimed the seat that New Labour and the Greens had cost Labour in 1990, with the SAME VOTE, while National lost nearly 7000 votes and the Alliance lost 1000 votes. Other core working class seats where the Labour vote held or went up while the Alliance, i.e. the New Labour vote, went down were: Christchurch

Central; Eastern Hutt; Mangere, Mirimar, Mt Albert, New Plymouth, Pencarrow, Porirua, Roskill, Timaru, and Yaldhurst.

So while the New Labour component lost votes in the core Labour seats, reflecting the class wisdom of the rank and file Labour supporters in its urban heartlands, the Alliance cost Labour an electoral victory in many marginal seats where it would have won without increasing its vote, or even with a reduced vote: Awarua, Birkenhead, Eastern Bay of Plenty, Glenfield, Heretaunga, Kaimai, Kaipara, Kapiti, Marlborough, Matakana, Papakura, Raglan, Rangiora, Rangatikei, Rotorua, Selwyn, Waikato, Wairarapa, Waitakere, Wellington-Karori, Western Hutt and Whangarei.

So, despite Labour's overall static vote, and the collapse of National, it was clear that almost two thirds of the electorate had voted against Rogernomics. A class re-alignment took place when the working class core of one-third of the electorate stuck by Labour, while National was reduced to its core one-third bourgeois support. The petty bourgeois Alliance and NZ First were now sharing a 'balance of power' in relation to the two main parties. So, for 10 days parliament was hung on the middle class.

Mike Moore, then Labour leader, tried to break this class deadlock by embracing the middle class. He said that National had no "moral authority to govern" and proposed that Labour, the Alliance and NZ First form a loose coalition around a 5 point Xmas present.

The 5 points in this plan were; to bring MMP forward to 1995 (looking at an early election!); reverse the privatization of health and the Accident Compensation

Corporation; repeal the Employment Contracts Act, and abolish the 26 week stand down for the dole (which punished the unemployed by not paying up for 26 weeks after they lost their jobs). And all of this by Christmas!

Anderton played the Grinch and rejected this plan. Instead he offered Alliance support to the party had the most seats if it abandoned Rogernomics! Not repeal anything, just do nothing!

A recount gave National another seat and Labour offered Sir Basil Arthur as speaker to allow National a majority. A by-election in Selwyn in 1994 saw National come within 346 votes of the Alliance winning the safe conservative seat! This confirmed what the '93 election had shown, that the Alliance had picked up the majority of its votes in mixed class electorates, because the Greens and Democrats appealed to middle class, self-employed and small business people.

As we wrote at the time:

"Opposition Collapses: the 1.2 million who voted against National last November have seen their votes go down the dunny [toilet]. All the opposition parties have refused to oppose National. The Alliance in the days after the election promised to use its two votes to keep National in power if it did nothing. This was a total betrayal of its supporters. The Government by 'doing nothing' could allow its radical reforms already in place to continue to destroy workers lives. The bosses would continue to see a 'recovery' in their profits but at the expense of a further collapse of the labour movement."

(*Workers Power*, "New-age or age-old exploitation?" #98 February/March 1994)

Here, then, we have the complete bankruptcy of the Labour Government of

Savage that stays aloof from real class struggles so that it can supposedly defend the collectivist politics supported by the majority of moderate workers in parliament.

When it gets hijacked by the new right which attacks that majority, the 'left' abandons it to rebuild the 'Savage' party. When that fails, it then forms an electoral Alliance with middle class Greens, Liberals and Democrats, while the core working class majority it claims to protect remains loyal to the Labour Party.

So, during the 90's when two thirds of the electorate opposed Rogernomics, Anderton preferred to keep the lame duck National Party in power rather than allow the working class majority to put Labour's promises to repeal major planks of Rogernomics like the ECA to the test. Instead, a decade of defaults and defeats accumulated while the labour movement marked time inside and outside parliament.

As communists we don't expect any capitalist government, including Labour Governments, to legislate for socialism. That's something that can only come from a workers revolution that overthrows the state including parliament. But while workers have illusions in social democracy we need to re-elect Labour Governments in order to expose them and the futility of parliamentary reforms.

Trotter is an apologist for reformism, and seeks to cover up and prettify its betrayals to prevent workers from breaking with it. His failure to confront the betrayal of Anderton and the Alliance in serving the 'new right' for a decade in the 1990s clearly reveals this cover up.

Castro and World Social Forum

What has enabled the current bureaucracy of Castro to leap ahead in the process of restoring capitalism in Cuba? It is undoubtedly the suppression of the workers' and poor peasants' revolution in Bolivia, and the containment of the pre-revolutionary situations in Chile and Mexico.

This represents the temporary defeat of the most advanced anti-imperialist and revolutionary struggles of the proletariat and exploited in Latin America.

The Castro bureaucracy could not move towards capitalist restoration without the World Social Forum's treacherous 'Bolivarian Revolution'. In the years since the turn of the century the WSF has put all its efforts into preventing revolutions in Ecuador, Argentina and Bolivia. It has stopped workers and peasants struggles in Chile and Mexico during 2006/2007 from embarking on the revolutionary road.

The Zapatistas and the Stalinists allowed the heroic Oaxaca commune to be crushed. In Chile, the Castroist FPMR [Popular Front of Manuel

Rodriguez] prevented a general strike and allowed the "red pacos" [red police] of the Communist Party and the union bureaucracy of the CUT to save Bachelet's pro-NAFTA civil-military regime. In the United States the WSF subordinated the emerging opposition to the Iraq war and the struggles of migrant workers to the Democratic Party

Meanwhile, along with Chavez, the Castro bureaucracy is pushing a Contadora and Esquipulas style of agreement to stabilize Colombia by disarming the FARC. This agreement is designed to bring about a situation

where the FARC and the Colombian bourgeoisie end the war and the FARC become a legalised 'Bolivarian'-type party contesting elections.

Just as the betrayal of the Salvadoran and Nicaraguan revolutions in the 1980s allowed the Castro bureaucracy to move towards capitalist restoration, the suppression of the Bolivian revolution, the containment of the struggles in Mexico and Chile, and now the betrayal of the FARC today, has created the opportunity for the Castro bureaucracy to complete the restoration process and turn themselves into a new bourgeoisie.

This process will not be peaceful because to succeed, it has to crush the resistance of the Latin American workers and poor peasants.

So far the Castroists and the WSF have suppressed and contained the Latin American revolution, and the struggles of the US working class at the feet of the Democratic Party, but the continental proletariat has not been crushed by an historic defeat.

Cuba is undergoing the terminal decline of the foundations of the degenerate workers state. It is facing a crisis of insufficient production and shortages similar to that of the USSR in the late 1980s under Gorbachev and his policy of "perestroika".

All foreign exchange and profits generated in the sector of the economy open to imperialist investment – tourism, nickel, petroleum, etc. – go offshore as royalties, patents and profit remittances to foreign monopolies, and as the income of the bureaucracy that goes into "off shore" accounts in the Bahamas or the Cayman Islands. The convertible peso –the "chavito" – that exchanges 1 to 1 for the US\$ shows how profitable this sector is for foreign investors and the corrupt expropriation of foreign exchange by the bureaucracy.

Of those billions of dollars of profits extracted from the island, little or nothing is reinvested in Cuba. This is the cause of the insufficient production and shortages faced by the workers and peasants earning miserable wages (US\$

13 per month) in devalued pesos (34 pesos equal 1 US\$!).

The devalued peso reflects the declining labour productivity of the obsolete and defective state sector of the



economy. Many people are homeless and most autos are 50s US or Eastern European 60s and 70s models. Most people have ration books for food and the once high standards of education and health are deteriorating dramatically. Thus, as was the case in the 80s in the Soviet Union and the states of Eastern Europe, Cuban workers are left with very few past gains to defend that have not been liquidated or weakened by the restorationist bureaucracy.

This crisis of insufficient production and shortages results from the failure to develop the productive forces within the limits of the travesty of "socialism in one island."

Since the bureaucracy cannot enrich itself on the backs of the declining state economy, the only way out for the bureaucracy is to finish the restoration of capitalism. The alternative of revaluing the peso doesn't work because there is not the production to back the currency, and hyperinflation would result causing increasing social inequality and growing hatred among the masses.

The only alternative for the bureaucracy is to raise labour productivity. But this would need an acceleration of the process of foreign investment in joint ventures with the bureaucracy. This intensifies the exploitation of Cuban workers and drives down its miserable living standards. In other words, another explosive cocktail that could blow up in the faces of the bureaucracy.

This shows that as Trotsky said in *The Revolution Betrayed*, restoration will not be peaceful. The bureaucracy in its attempts to restore capitalism and become a new bourgeoisie must overcome the resistance of the masses by means of civil war.

Therefore, the only course is the political revolution linked to the Latin American socialist revolution. This is the only way to stop the bureaucracy from becoming the direct agents of US imperialism, crushing the masses, finishing capitalist restoration and inserting Cuba into the global division of labour as a new "brothel" of America."

- For the Trotskyist program of political revolution to overthrow the parasitic bureaucracy, and to create a workers state, a true workers democracy with a government of armed workers, peasants and soldiers councils!
- For a revolutionary dictatorship of the proletariat that ends all the "privileges, ranks and medals" of bureaucracy, class inequality and wage labour, where the first task is to renationalize under workers' control and all sectors of the economy that are open to foreign capital and "joint ventures", and to reimpose the monopoly of foreign trade and stop the flight of foreign currency which bleeds the wealth of the Cuban economy.

This is the only way to end the perverse system of "two currencies", and return to a single Cuban peso, a healthy currency that represents the real value created by the economy of the island once the workers and peasants have regained control from the monopolies and corrupt bureaucracy all branches of the production and all the wealth they have been stealing.

It is also the only way to expel the parasitic bureaucracy and its foreign partners, and create a healthy workers state as a bastion of revolution in Latin America, North America and the world.

What We Fight For

Overthrow Capitalism

Historically, capitalism expanded world-wide to free much of humanity from the bonds of feudal or tribal society, and developed the economy, society and culture to a new higher level. But it could only do this by exploiting the labour of the productive classes to make its profits. To survive, capitalism became increasingly destructive of "nature" and humanity. In the early 20th century it entered the epoch of imperialism in which successive crises unleashed wars, revolutions and counter-revolutions. Today we fight to end capitalism's wars, famine, oppression and injustice, by mobilising workers to overthrow their own ruling classes and bring to an end the rotten, exploitative and oppressive society that has exceeded its use-by date.

Fight for Socialism

By the 20th century, capitalism had created the pre-conditions for socialism – a world-wide working class and modern industry capable of meeting all our basic needs. The potential to eliminate poverty, starvation, disease and war has long existed. The October Revolution proved this to be true, bringing peace, bread and land to millions. But it became the victim of the combined assault of imperialism and Stalinism. After 1924 the USSR, along with its deformed offspring in Europe, degenerated back towards capitalism. In the absence of a workers political revolution, capitalism was restored between 1990 and 1992. Vietnam and China then followed. In the 21st century only Cuba and North Korea survive as degenerate workers states. We unconditionally defend these states against capitalism and fight for political revolution to overthrow the bureaucracy as part of world socialism.

Defend Marxism

While the economic conditions for socialism exist today, standing between the working class and socialism are political, social and cultural barriers. They are the capitalist state and bourgeois ideology and its agents. These agents claim that Marxism is dead and capitalism need not be exploitative. We say that Marxism is a living science that explains both capitalism's continued exploitation and its attempts to hide class exploitation behind the appearance of individual "freedom" and "equality". It reveals how and why the reformist, Stalinist and centrist misleaders of the working class tie workers to bourgeois ideas of nationalism, racism, sexism and equality. Such false beliefs will be exploded when the struggle against the inequality, injustice, anarchy and barbarism of capitalism in crisis, led by a revolutionary Marxist party, produces a revolutionary class-consciousness.

For a Revolutionary Party

The bourgeois and its agents condemn the Marxist party as totalitarian. We say that without a democratic and a centrally organised party there can be no revolution. We base our beliefs on the revolutionary tradition of Bolshevism and Trotskyism. Such a party, armed with a *transitional programme*, forms a bridge that joins the daily fight to defend all the past and present gains won from capitalism, to the victorious socialist revolution. Defensive struggles for bourgeois rights and freedoms, for decent wages and conditions, will link up the struggles of workers of all nationalities, genders, ethnicities and sexual orientations, bringing about movements for workers control, political strikes and the arming of the working class, as necessary steps to workers' power and the smashing of the bourgeois state. Along the way, workers will learn that each new step is one of many in a long march to

revolutionise every barrier put in the path to the victorious revolution.

Fight for Communism.

Communism stands for the creation of a classless, stateless society beyond socialism that is capable of meeting all human needs. Against the ruling class lies that capitalism can be made "fair" for all; that nature can be "conserved"; that socialism and communism are "dead"; we raise the red flag of communism to keep alive the revolutionary tradition of the *Communist Manifesto* of 1848, the Bolshevik-led October Revolution; the Third Communist International until 1924, the revolutionary Fourth International up to 1940 before its collapse into centrism. We fight to build a new, Fifth, Communist International, as a world party of socialism capable of leading workers to a victorious struggle for socialism.

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