

Red Flag

FEB 1999 JOURNAL OF THE COMMUNIST PARTY OF AOTEAROA

New Wave of Occupations

The flags of Maori Tino Rangatiratanga flying above the Treaty Grounds at Waitangi, and on successive land occupations at Pakaitore, Matahina Dam, Huka Falls, Owhiwa Harbour, and Waikaremoana last year, mark a renewed challenge to the US-Shipley regime's attempts to split and co-opt the Maori nationalist movement.

While Shipley, at the behest of Maori Affairs Minister Tau Henare, gained considerable mana by fronting up to the protest movement at Waitangi, the contemptuous silence with which the Crown greeted the litany of grievances and the dismissal of any discussion of constitutional change, was a slap in the face.

Activists immediately scaled the Waitangi flag-pole tearing down the symbols of British imperialism and settler capitalism, and the flag of Maori liberation was the dominant symbol of New Zealand's national day.

In February Te Tatau Pounamu o Mataatua raised Tino Rangatiratanga flags on the causeway to the Matahina Dam in protest at the sale of the dam to Trust Power and the destruction caused by dredging at Whakatane Heads.

On February 28, 100 activists mounted an occupation of Pakaitore ('Motua Gardens') in Wanganui, on the anniversary of their 79 day encampment in 1995. The latest occupation protests Justice Minister Doug Graham's pre-emption of the Waitangi Tribunal's consideration of a claim for the return of the Wanganui River. The government has ruled out any return of rivers or lakes to Maori ownership. The country's waterways are of immense economic importance to settler capitalism - both farming and the hydro-electric industries relying critically on these.

On March 5 200 Ngati Toa Rangatira have moved on to occupy land adjacent Takapuwahia marae in Porirua, after attempts to negotiate its return failed. The land was a taken off a whanau under the rating act for a museum by the Porirua City Council. It is no longer being used and being sold off for \$500,000.

The arbitrary limits to Maori claims set by the government, and the long delays in addressing existing claims has strengthened calls within even conservative sections of the Maori Nationalist Movement for constitutional change to limit the settle government's powers in this respect. Both the conservative Maori Council and the Anglican Church have presented concrete proposals for direct Maori representation through a second chamber together with a separate legal system that can enact traditional Maori legal approaches. A national summit in December, hosted by Tainui and attended by tribal leaders including the Maori Queen Dame Te Atairangiaahu and Tuwharetoa paramount chief Tumu te Heuheu, endorsed the proposals.

The repeated protests and the radicalizing of the Maori Nationalist Movement is an inevitable outcome of the US-Shipley regime's strategy on land claims. The repeated stalling on land claims, and the attempt to limit such claims to a set 'fiscal envelope' is central to the US-Shipley regime's strategy for neocolonial exploitation of the resources of Aotearoa.

The long settlement process of what are simply bourgeois property rights, long denied to Maori to secure settler colonialism, is designed to encourage tribes to settle for the lowest possible cost to the Crown. The bourgeois legal process encourages power over the settlement process to rest within the bourgeois-trained Maori legal and commercial middle class. The settlements, such as the fishing settlement, are generally made with entities structured on bourgeois corporate lines. These mechanisms have encouraged the formation of a Maori capitalist class, personally enriched through advisory and directors fees, and with an interest in seeing the capitalist development of these resources. In the neocolonial context of the New Zealand economy, this generally involves the new Maori owners entering into deals with foreign capital for the further exploitation of these resources.

But, despite the fanciful claims of the apologists for this imperialist plunder there is no 'trickle-down' benefit for the great masses of Maori who continue to suffer far worse education, employment, housing, health and life expectancy than pakehas. And while this situation continues, the movement for Tino Rangatiratanga gathers pace. #

	Year	Maori	Non-Maori
Early Childhood education	1997	41%	64%
School Certificate	1997	64%	92%
UE	1997	24%	58%
Tertiary participation at 19	1997	16%	40%
Unemployment	1998	17%	6%
Youth Unemployment	1998	32%	13%
Household income	1997	\$37,000	\$47,000
Home ownership	1996	50%	72%
Life Expectancy M	1992	68	73
Life Expectancy F	1992	73	79
Infant mortality	1994	1.5%	0.7%
Hospitalisation	1997	38%	16%
Youth Suicide M	1996	.06%	.04%
Youth Suicide F	1996	.02%	.01%

Source: Ministry of Maori Affairs, *Progress Towards Closing Social and Economic Gaps Between Maori and Non-Maori*, 1998

Growing Resistance to US-Shipley Regime

1998 was a turning point in the class struggle in Aotearoa. The victory of the Maritime workers in Australia kindled a spirit of resistance amongst the working class here. Massive support rallied around the firefighters, the teachers, and regional hospitals, and against the insipid attempt to claw back the mere three weeks holidays we have.

- The campaign against Labour Minister Max Bradford's attempt to take our holidays saw a massive mobilisation from organised workers across the country.
- The Firefighters' spirited two-pronged defence, rallying support in the community and challenging the terms of the Fire Commission's own statements and agreements in the bourgeois court stalled the job-cutting offensive.
- Tariff cuts in textiles and footwear were postponed by a broad campaign
- Regional hospital closures were stalled by massive community resistance. The introduction of a national waiting list, however, has seen scores of patients denied hospital treatment.
- Bulk funding of secondary schools was stalled although nearly a third of schools have caved in to immense government pressure.
- Tertiary students and staff generated widespread unease with the government treatment of this sector, particularly the scale of student debt, and have again defeated proposals of direct government appointment of Councils and capital charges.

In each of these campaigns the tactic of mass struggle has been the key to success. The tariff and hospitals campaigns in provincial centres have been particularly successful where workers have united with consumers and small and medium business interests in provincial centres.

The campaigns against the privatisation of local government services have been spirited but have been weakened by the complexity of the issues and the limited mobilisation of public sector unions. The major trade union in this sector, the PSA, has chosen a collaborationist role, accepting the concept of privatisation in favour of deals to retain members. Resistance to privatisation will be weak without strong links between community groups and the smaller militant public sector unions such as those around TUF.

While campaigns against privatisation and cuts to hospitals and the universities have a major base of resistance among the workers and students, effective resistance in the main centres has been limited by the difficulty in mobilising the working class as a whole as has been possible in provincial centres.

On the whole, despite repeated successful mass mobilisations and improving unity with tertiary sector staff, the student movement has failed to build significant links with the emergent militant trade union movement. Similarly, the hospital unions' campaigns in the major cities have been hesitant, in part crippled by the collaboration of the PSA, but again failing to build effective unity with the militant union movement.

The difficulties of the peoples campaigns in the cities is not just a symptom of the weakness of the trade union movement, however, but as much the difficulty in mobilising the middle class in the cities and the inability to force any significant splits in the capitalist class, as has been possible in the provincial centres. The opposition of the middle class and small and medium capitalists in the provincial centres has been decisive in the mass mobilisations of the majority of the population of a number of towns.

While the middle class in the cities opposes the cuts to hospitals and education in principle, they also benefit from the resultant tax cuts, and freedom to pay for the health or education of their choice. The capitalist class is largely united behind the concept of reduced social spending and tax cuts. The campaigns in the cities have not effectively mobilised the pockets of opposition among hospital users and parents of students, in the way that the PPTA have with the corporatisation of secondary schools. #

Security and Prosperity for Whom?

The US-Shipley regime has cobbled together a plan to attempt to unite the capitalist class and secure the government's re-election at the end of the year.

The 'Security and Prosperity' strategy makes small concessions to particular aggrieved interests while maintaining an underlying commitment to cutting effective wage levels and opening resources to imperialist plunder through reduced social spending and privatisation.

Law and Order

Familiar rhetoric from the National Party in election year, strikes a chord with much of the population. 85% of those polled like the idea of getting tough on 'home invasion' crime.

Meanwhile the US-Shipley regime gets on with its own plans for the 'home invasion' of activists and interest groups opposed to its free market drive. New powers for the SIS to break into homes is being rushed through parliament ahead of the APEC meeting in September, with full support of the Labour Party.

Education Privatisation

In the education sector, the familiar steamroller of funding cuts, corporatisation, deregulation and privatisation will be quietly accelerated at the hands of new neo-liberal ministers Nick Smith, Max Bradford, and Maurice Williamson. Pressure for bulk funding of secondary schools and attacks on teacher unions will increase, while the squeeze on tertiary education will intensify, with restrictions on student allowances and the limited assistance via loans, and the frontal attack on student organisations under the guise of 'voluntary membership'.

Subsidising Industry Research

The major prize in the wresting of tertiary education from the public sphere is the \$600 million research spending currently accounted for by Universities and associated research institutes. This spending is lustfully eyed by manufacturing interests, long-denied government support, but now able to wrest concessions from the sinking Shipley crew. Striding the gulf between the wanton manufacturers and the capricious scientists stands the Minister of Tertiary Education and Industry Technology, Max Bradford; with no concept of the public good he is ready to bribe the manufacturers all the way to the ballot box.

Privatisation of Local Services

With local councils forced, under the Local Government Amendment Act, to set user charges for services, there is little incentive for councils to retain ownership of these. Bus services, libraries, roading, and water services are all being corporatised, contracted out or privatised in rapid succession. The electricity 'reforms' have opened electricity distribution to Canadian and US multinationals, and pave the way for massive price increases.

No Security or Prosperity for the Working Class

The human toll of the neo-liberal drive in New Zealand belies the US-Shipley regime's promises of security and prosperity. Real wages have fallen, and continued unemployment breeds insecurity and poverty for the masses of Aotearoa. One fifth of the population and one third of the children of Aotearoa live beneath the poverty line. The number of poor increased 35% 1989-92 in the wake of the 1991 benefit

cuts which cut 20% off beneficiary incomes. By 1994 the Auckland City Mission was distributing 800 food parcels a month. #

Education Privatisation Continues

In the education sector, the familiar steamroller of funding cuts, corporatisation, deregulation and privatisation will be quietly accelerated at the hands of new neo-liberal ministers Nick Smith, Max Bradford, and Maurice Williamson.

The education system has been chronically under-funded since the late 1970s. Funding for tertiary education has now been capped, so any increase in rolls results in a reduced government funding per student.

The universities and polytechs were corporatised in the late 1980s and are all effectively state-owned enterprises. The reduced funding has led to increased competition for students and thus government funding) between them. The financially weakest institutions and courses are collapsing and closing, regardless of their merits for the communities they service. Smaller polytechs are being taken over by larger ones and courses with small enrolments wound up. Immense pressure is being placed on secondary school boards to corporatise, via 'bulk funding'. The government does not have sufficient public support to force this on schools. Instead, individual schools are being offered large financial incentives to finish the process of corporatisation and adopt the 'bulk funding' model, but with support from the PPTA, 70% have resisted the bribe, knowing that if all schools adopt this all will then face reduced funding in the future.

The implications of deregulation are now facing the tertiary sector. The opening of the tertiary funding to the private sector has wide implications. The NZ government abandoned its rights to restrict foreign ownership of the education sector when it signed the General Agreement on Trade in Services. Foreign universities are free to set up in New Zealand and claim subsidies like any other body here. The Irish University of Limerick is investigating opening a campus in Taupo, with enthusiastic support and incentives from the local Taupo bourgeoisie.

The increased competition in tertiary education is creating a 'race to the bottom' towards expensive but low quality, low cost, high volume courses. Universities are being turned into polytechs and all are immensely vulnerable to the mass-marketed courses exported from the greater economies of scale of US tertiary institutions. Local research and reflection at the universities has dwindled to a trickle and the remainder is being syphoned off into subsidised research for industry.

With the quality of the state educational institutions being seriously undermined, as in health, public support is waning and it is now a relatively short step before the sale of these and the further reduction of state subsidies. The tertiary education system has been transformed from a repository of national culture to a training programme for US multinationals. #

Scandal, Lies and Corruption

The unparalleled ability of the US-Shibley regime to repeatedly shoot itself in the foot, is testimony to the instability in ruling class circles. Without a consolidated alliance of leading ruling class fractions, the isolated US-Shibley regime increasingly relies on personal initiatives of government ministers, that are particularly vulnerable to misjudgment and personal bias. Not surprisingly then, in recent months the US-Shibley regime has been wracked by scandal and exposure of corruption.

- Deputy speaker Ian Revell was forced to resign after threatening the job of the North Shore Police superintendent Lindsay Todd over a \$40 parking ticket.
- Prime Minister Shipley appointed her sister as Art adviser to the APEC conference in September.
- National Party campaign strategist Michelle Boag has been employed by the the America's Cup Task Force, funded by the Tourism Board. Boag, Public Relations Officer for Fay Richwhite, resigned from the TVNZ Board after a scandal during the Winebox hearings when she secretly filmed testimony given by Winston Peters.
- Staff of the Inland Revenue Department and Department of Social Welfare have been found selling private information about clients to debt collection agencies.
- The biggest scandal to date, which threatens to pose an ongoing thorn in the government's side, is the Tourism Board scandal.

Tourism Board Scandal

Despite strenuous denials, there is massive circumstantial evidence that Shipley, McCully and other Ministers influenced the awarding of \$30 million Tourism board advertising contract to Saatchi and Saatchi. Saatchi's CEO, Kevin Roberts, is a personal friend of Shipley, but more important are allegations that the government, and McCully in particular, have sought to shape the advertising to promote the National Party's election campaign.

Saatchi and Saatchi conducted the advertising campaigns for the Thatcher administration and a number of government PR campaigns for the neo-liberal drive in New Zealand. Roberts is a former executive of Lion Nathan Ltd, whose Chairman, Doug Myers, has been a prominent Business Roundtable leader.

In February a fourth Tourist Board director resigned, alleging that the Board's promotion plans had been hijacked by the Government for its election campaign. A planned campaign in Europe had been brought forward at government insistence, to feature Shipley in London.

Despite initial denials, Shipley was forced to admit that she had consulted Roberts on National's election campaign over dinner in August, at the house of Jane Vestey, a Saatchi employee. Shipley initially denied any knowledge of Vestey.

Weeks after the dinner, the government gave an extra \$12.5 million for the Tourism Board to spend on its global promotions contract that had been awarded to Saatchis. Roberts told board members that he had personally persuaded Ministers to provide the extra funding. Roberts later flew out from London in mid-February to address the National Party's election strategy caucus.

In classic manner, the government has tried to bury the scandal by launching an audit investigation, whose terms of reference exclude the major issue. But the conflict between the Tourism Board and the government is bound to continue to fester.

The Erratic Actions of an Isolated Regime

The repeated mistakes, scandals, and increasing corruption, are all symptoms of a regime that has lost its base of support among the ruling class. The US-Shipley regime has failed to consolidate a wide base of support even within ruling circles.

Its most consistent supporters are foreign, particularly US capital, and much of their local comprador class. They are the reason for the governments continued push for tight monetary policy, government spending cuts, privatisation and reduced taxation. The overwhelming aim is to reduce the costs of doing business in New Zealand, so as to remain attractive to foreign capital.

Some of these policies, like tax cuts, are crafted to appeal to other sections of business and parts of the middle class, but beyond this there is little support from domestic capital for the US-Shipley regime. There have been massive demonstrations from National's former heartland against government attempts to dismantle farmers' cooperatives and against cuts to rural services. But the US-Shipley regime is prepared to lose this support because its primary attachment is to foreign capital. Even the comprador capitalists, the lap-dogs of foreign capital, are divided over the US-Shipley regime. The financiers, consultants, lawyers, advisers, and local managers who gain fees from brokering deals on behalf of their foreign masters are uncertain about the life of the US-Shipley regime. They know it is widely unpopular, unstable, and subject to repeated errors. Important sections of this class provide the base of support for ACT, with the aim of providing rightwing backbone for the regime. Others have moved to Labour, being prepared to make some minor concessions to the neo-liberal programme so as more firmly secure the place of their foreign masters in this country. The lack of ruling class consensus leaves the government unable to maintain a coherent policy line to attract a solid core of supporters. Unable to check its policies amongst the wider ruling class, the regime is increasingly reliant on personal initiatives, attempts at one-person charismatic 'presidential' leadership, and consequently is fatally vulnerable to the personal whims and failings of that one-person, Jenny Shipley. #
ry Worker

Scandal as Power Struggle in the U.S. Ruling Class

Official Washington was gripped by intense scandal. Overnight, there was talk of presidential resignation.

Whitewater prosecutor Kenneth Starr had used sexual allegations to start criminal investigations of the U.S. president--based on the illegally taped telephone conversations of a White House intern. Hour after hour, the media spiced their coverage with "dishy" rumors--feeding a sick American blend of voyeurism and puritanism. Had Jerry Springer taken over the national news?

This scandal showed chilling police powers in operation. Teams of FBI agents and federal prosecutors stalked the capital like gray-suited "sex police." Starr had FBI agents bug private conversations without obtaining a "sting warrant" from a judge.

Chickens came home to roost for Bill Clinton, who backed new laws giving police and prosecutors more power for wiretaps and sting operations. The president got a taste of what he's done to thousands of people with the "one strike you're out," snitch-network, police-state bullshit that he has backed all over the country.

Prosecutor Starr used a new grand jury to threaten the intern, Monica Lewinsky, and other White House employees with prison if they did not divulge what they knew about Bill Clinton's sexual activities.

People wonder: Even if Clinton is a male chauvinist jerk, when did allegations of *consensual* sexual relations become a basis for setups, criminal charges, apartment searches, wiretaps, prison threats and the toppling of high officials? And if Big Brother is jacking up Big Brother, what chance do the ordinary people have?

This scandal is an intense ruling class power struggle breaking into view. Many motives still remain hidden, but the struggle clearly involves major issues of national agenda and power. In her TV counter-attack, Hillary Clinton pointed this out when she charged that a "vast right-wing conspiracy" was behind the scandal. Jonathan Alter of *Newsweek* reports: "She feels it's like an attempted coup d'etat. They don't believe the results of the '92 and '96 elections and want to use anything they can to overturn it."

Well-funded right-wing operations have tried to make "dirt" stick to Clinton for years. There have been allegations of murder (Vince Foster and Ron Brown), drug-running (the so-called Mesa connection in CIA cocaine trade) and accepting money from foreign governments (the Huang affair). The Clintons were accused of real estate corruption in Arkansas--which got Kenneth Starr appointed as independent prosecutor focusing on "Whitewater." Now suddenly, several of these anti-Clinton operations have converged to produce a serious crisis of power. And while the outline of forces and issues remains murky, other ruling class forces seem to have jumped in, too.

The Making of a Scandal

This "sudden" scandal took long preparation by powerful forces. Years ago, the extreme right-wing Rutherford Foundation took up the sexual harassment case of Paula Jones as a way to embarrass Bill Clinton. Their operation got a boost when the Rehnquist Supreme Court allowed the civil case of Paula Jones to continue while Clinton was still in office. Sitting presidents are usually shielded from legal cases--and the Supreme Court's decision took away that protection.

Then came a second unusual ruling--this time by Judge Susan Webber Wright, the conservative federal judge overseeing the Paula Jones case. Wright allowed Jones' attorneys to try to document in court a "pattern" of sexual misconduct by Bill Clinton. Paula Jones' lawyers could demand sworn statements from women who had nothing to do with Paula Jones. They paid private investigators to canvas Little Rock and Washington looking for women willing to accuse Clinton. Monica Lewinsky was brought to court where she swore, under oath in early January, that she had never had sex with Clinton.

Meanwhile, Monica Lewinsky was being set up. A former White House secretary Linda Tripp got Lewinsky to talk about Clinton over the phone and illegally taped the conversations. Tripp got her directions from Lucienne Goldberg, a former "dirty tricks" operative for Richard Nixon. Goldberg gathers scandalous rumors about Clinton--serving as "literary agent" for Arkansas statetroopers, an alleged former lover of Bill Clinton, and Linda Tripp herself. Goldberg is also literary agent for the racist cop Mark Fuhrman.

Tripp took the Lewinsky tapes and other evidence to Kenneth Starr--who then claimed the tapes showed that Lewinsky lied and that someone connected to the White House had urged her to do it. Starr, whose initial assignment was to investigate Arkansas real estate, now authorized an FBI sting operation. Linda Tripp was wired with a microphone and sent to get more revelations from Lewinsky. Federal agents later held Lewinsky in a hotel room for 10 hours without a lawyer, demanding that she participate in a sting operation aimed at Clinton.

Kenneth Starr is an active right-winger. In 1989 as the Solicitor General of the Bush administration, Starr argued that the Supreme Court should overturn *Roe v. Wade* because, "There is simply no credible foundation for the proposition that abortion is a fundamental right." Recently, Starr has worked for the "school choice" movement against public education, as a lawyer for the tobacco industry, and as a speaker at a Christian-fascist law school associated with Pat Robertson.

Attorney General Reno gave Starr permission to launch a full-scale investigation into the possibility that someone in the White House told Lewinsky to lie in court.

What Morality Is Now Being Served?

The lives of powerful political figures are filled with corrupt deeds and oppressive personal relations. But in ordinary times, the system coats them in "teflon"--protecting them from exposure. Then sometimes the struggle inside the ruling class sharpens, the teflon fades, and scandals break out.

Those forces behind this scandal have worked to fan moral outrage over the idea of a powerful man hitting on a young intern. But--from anti-abortion pointman Starr to hangman Rehnquist to the dirt-hunters

of the Rutherford Foundation--they are anything *but* defenders of women's rights. These forces are coming from a "Promise-keeper" agenda--subordinating women forcefully while insisting this will "honor" women. And their creepy moves--like the FBI raid on a 24-year-old woman's apartment to steal her clothing for evidence of sex--fit right in with their program to enforce extreme conservative sexual mores as the official public standards.

Meanwhile, the White House, at the other side of this scandal, has proven how little *it* cares about women's rights. Cynically, the defenders of Bill Clinton have prepared a media offensive called "nuts and sluts"--to crucify Monica Lewinsky as a liar and sexual predator, if necessary.

Uncontrolled Appetites in the Ruling Class

Many people might wonder *why* anyone in the ruling class would want to attack a President who has been both reactionary *and* popular. Clinton has carried out intense cuts in social services, increased police powers and reshaped the military structure. He has militarized the southern border and promoted NAFTA and GATT to strengthen the U.S. control over oppressed countries.

Affirmative action and welfare have been gutted (in a way that even Reagan wouldn't have dared)--while promises of educational opportunity and tolerant diversity are made. Clinton has weakened abortion rights with his policies of "legal but rare"--and helped create an atmosphere favorable to Christian-fascist assaults on clinics and doctors.

In all of this, Clinton has worked to maintain a ruling class consensus that brought him to power in 1992. Still, all along, powerful forces in the ruling class have remained bitterly dissatisfied with the pace and direction of things.

A Fight Among Oppressors

Most major decisions of this society are taken behind the scenes, by action of ruling class representatives, including closed-door conferences of corporate heads, politicians, and military leaders. The system holds regular elections to train the people in bourgeois politics and as one of their forms for picking and promoting some of their potential leaders. But the system's power struggles are also fought in other ways--in scandals and even assassinations--when quieter channels can't contain the infighting.

In all of this, the masses of people are manipulated and kept far from any deciding role. The interests of the masses are not represented in these power struggles. The ruling class fights over how best to maintain their system--secure its profits, defend their empire and exploit the people.

As the Clinton scandal broke, prominent right-wing republicans like Texas Senator Phil Gramm stepped out to say that this was a political opening to defeat new initiatives Clinton has proposed--like propping up public education, raising the minimum wage, expanding day care, and moving more funds into the existing federal systems of social security and medicare.

In the right-wing of the Republican Party such ideas are hated--and it is common for them to demand a even more sweeping privatization of education, pensions and medical coverage, and a drastic reduction of taxes and government regulations--even including the abolition of the EPA, IRS and minimum wage. There have also been loud protests from conservative circles over international policies--including Clinton's recent pressure on the Israeli government to withdraw more forces from the West Bank.

The specific issues and class interests that drive this scandal have been veiled, even as they are fought out. It is clear this crisis is tied to a larger struggle over the national agenda and direction. Powerful, well-financed, well-placed forces in the system are eager to see this President paralyzed and they seem

willing to haul national politics through the mud and make an international laughing stock of the U.S. President.

While the media's sleaze machine works overtime--it is good to remember that politics does not have to be like this. After the revolution, there will be lots of big, chaotic struggles over the direction of society. But you won't have to go through shit like this.

Revolution#943, Feb 8, 1999

APEC – Imperialist Plunder

At the APEC Summit in September and at the series of officials meetings preceding it, the US-Shipley regime will be beating the drum for the further reduction of protectionist measures to pave the way for the plunder of our region by US multinationals. Already in the 1990s a huge wave of US capital has entered Aotearoa, buying up companies like Telecom and Tranz Rail, Carter Holt and other forest interests, Whitcoulls and Watties, and is now poised to takeover much of the electricity generation and distribution in the country. New Zealand's largest company Fletcher Challenge, although nominally based here, has most of its operations and most of its ownership in North America. Only the big farmer-owned dairy and meat cooperatives and a handful of others have so far resisted the takeover.

The local management of these firms and the gaggle of consultants, brokers, bankers, and advisors that have arranged the deals and support these firms today have had a whole new world opened up to them of massive salaries and fees, overseas conferences and mixing it with the big boys. The centre of power amongst New Zealand business has moved to these compradors of US imperialism, most vocally represented by the Business Roundtable, and successive governments have enthusiastically joined them. The Shipley government is just the latest of a series of sycophantic boot-lickers of US imperialism.

Watties Manager David Irving described the new corporate culture he encountered after the Heinz takeover. "I was introduced to a world I had not known before, of first-class international travel, suites at the best hotels, the finest in food, drink, and entertainment" (David Irving, "It Must Be Watties". Auckland: David Bateman, 1998, p.150)

The neo-liberal apologists for imperialist penetration, like Reserve Bank governor Don Brash and Telecom Head Rod Deane, share a common viewpoint with the Trotskyists on this matter. "What does it matter who owns the largest firms?" they cry, "They're all capitalists."

But as the extraordinary profit drive of Telecom shows imperialism is particularly rapacious. Telecom has driven up prices at every opportunity and sacked thousands of workers to allow its US owners to wring as much out of their investment as possible. 90% of Telecom's profits have been paid as dividends, an unprecedented rate in New Zealand. Most of this has been directly repatriated to the US, putting pressure on the NZ capitalists' balance of payments, driving down the dollar and increasing import prices.

According to Irving again, "There was nothing especially complex or subtle about Heinz's business philosophy .. In essence ... 1. The shareholder/owner is the most important of the stakeholders. 2. Operating Income (OI) is the key number ... No other number has the same bearing on share price" (p.151).

Other companies like Carter Holt Harvey, owned by the US-giant International Paper have been ripping out the productive capacity of the New Zealand forest sector. By abandoning pruning, the forests are being turned into low-quality log stocks, and thousands of semi-skilled workers are losing their jobs. Related industries and research focussed on value-added processes will be soon to follow; a downskilling of the productive capacity of the industry and the working class.

Thousands of workers' lives are being disrupted by layoffs as the economy is restructured away from domestic capitalist interests towards those of firms based in other countries.

As domestic capital weakens, the domestic economy as a whole is weakening. Where most production and consumption was undertaken by local firms for local consumers, increasingly production is export oriented, and consumption is serviced by imports.

As the economy is increasingly skewed into a cog in an international network, smaller centres are depopulated as workers drift towards the service centres of imperialism - Auckland, Wellington and Christchurch. Here full time productive jobs are increasingly displaced by part-time lower paid jobs in the service sector, weakening the organised strength of the working class and driving down wages.

Capitalist System in Crisis

In the past year and a half, a very intense crisis in production, finance and trade engulfed many countries and entire global regions one after the other. The storm first hit Asia and Japan in the first half of 1997; hammered Russia next in the third quarter of 1998, and caught up later with Latin America, Eastern Europe and South Africa. The US and European economies, while registering positive but very moderate growth rates, continue to slow down. Moreover, with other parts of the world either wallowing in depression and recession or deep into stagnation, there prevails, on the whole, a global recession. Contraction of production is most severe in East Asia - which before 1997 was the fastest growing region - and Russia which nose-dived into a deeper pit. The US and European economies are themselves repeatedly convulsed by intense stock market and financial troubles and continue to be pulled down.

This is the most serious global economic crisis of the last 50 years. It is unprecedented in terms of scope and the rapidity by which it has spread, as well as by the steep declines in living standards of countries and peoples. The breadth and depth of the damage it has wrought on countries and peoples are believed to equal or even surpass those of the Great Depression of the 1930s.

In Asia alone, the meltdown of trillions of dollars of stock market and bond capital, aside from the more than US\$260 billion in losses in corporate equity, occurred in only a few months. Central bank reserves were depleted by the hundreds of billions of dollars in a futile attempt to defend currencies under speculative attack. Hard-earned savings evaporated, incomes drastically deflated and millions of people thrown out of work. The basically backward and semifeudal character of the so-called "emerging markets" was brought to the fore.

The overwhelming majority of countries have not even benefited from the temporary growth brought about by increasing shares in the export of low- and medium-valued-added manufactured goods and the massive inflow of foreign portfolio investments. They have long been suffering from the almost two decade-old debt crisis and contraction of the global market for raw material exports. The present crisis not only dims their hopes of recovery. It also buries them deeper in poverty.

The crisis persists despite attempts by the international bourgeoisie and their drumbeaters to belittle it and prematurely declare its end. Storm-wind continues to gather for an even more violent super typhoon. The signs forebode the further intensification of crisis, dislocation and devastation.

The following discussion focuses on the three most prominent features of this crisis:

Overproduction crisis

In essence, the main disease that is ravaging the real economy of the global capitalist system is the severe and worsening imbalance between excess capacity in production and shrinking markets.

Overconcentration of capital and overaccumulation of productive capacity goes on at such a rapid and high rate while the base of global mass consumption suffers from drastic and massive contraction. In various sectors of industry, agriculture and services, there is a large and increasing disproportion between supply and demand.

Another marked result of overproduction is the emergence of the problem of deflation: the general fall in prices due to slackening sales, together with the sudden fall in profits, trade and production. This is similar to the deflation that triggered the Great Depression of the 1930s. Japan and Asia are suffering from deflation due to the sudden contraction of the domestic and global markets for their manufactures and the depletion of available loans and financing - especially for small and medium-scale companies in Japan, but also for the largest companies in other parts of East Asia. The main branches of industry in the US and Europe are also troubled by weak sales, shrinking markets and falling rates of profit.

From 1992 to 1995, the Japanese government spent \$535 billion to pump-prime the economy which has been sluggish since 1990. In 1998, another \$120 billion was poured in, raising the budget deficit to 10% of total domestic production. But private consumption decelerated more rapidly, thus causing Japan's full descent to recession. Production is running at 65% of capacity, unemployment has, for the first time reached 4%, and yet the inventory of companies continues to rise, reaching 12% of sales, which is twice the previous record high.

In the global car industry, the rate by which production has outstripped the market is three times that which prevailed in the seventies. It is expected that by the year 2000, global overproduction of cars will reach 23 million, greater than the overall sales in North America, the biggest market of cars.

The economic meltdown in East Asia, the region reckoned to be responsible for half of the expansion in global production and two-thirds of the expansion in global trade in the past years, is a crushing blow to the international market. From mid-1997, the price of all agricultural and mineral commodities fell by 30%- and reached its lowest levels in more than 25 years. The impact of this on backward countries that rely on raw material exports will be extremely painful.

The annual growth rate in industrial capitalist countries in the present decade is just above 2%, far below the average rate of 5% in the '50s and '60s. To raise the rates of profit in a period of slow growth and shrinking markets, monopoly capitalist has resorted to all-out cost-cutting, restructuring and reengineering. This includes the extensive use of computers and high-technology, massive reduction in employment, and gigantic corporate mergers and acquisitions.

The dominance of neoliberal policies of deregulation, privatization (easing controls over private business) and bias against inflation has enabled monopoly capital and the financial oligarchy to implement such schemes. While the concentration, operation and expansion of monopoly capital are given free play and encouraged, there have been relentless attacks against so-called inflationary wages and cost-cutting measures to "shave the fat" off government spending by reducing the number of public employees and funds for public service and social benefits.

The result is job-killing growth, the swelling of unemployment up to 35 million in industrialized countries, a drop in real wages and incomes of common people, and continuing and rapid contraction of the base of mass consumption in capitalist countries. There is also further intensification of the concentration of capital and monopolization of finance, production and markets by ever larger but ever fewer monopoly corporations: "Winner-takes-all" and "second placers are losers" are the now the predominant rules in big business. High technology has further increased the rate of concentration and centralization of capital, as well as the turnover of production, trade and commerce and the obsolescence of otherwise perfectly running factories. Financial manipulation and overborrowing have also further accelerated the aggressive expansion as well as accumulation of capacity well beyond the capability of the market.

The inventory of unsold goods has increased rapidly. Unprofitable buildings and machineries are piling up. Despite the scope and severity of destruction already wrought by the current crisis, this is just the start of a major upheaval in the crisis-ridden capitalist system. Running down the overcapacity will need more and greater storms of cataclysmic proportions.

Financial and currency crisis

The sudden and steep devaluation of currencies in East Asia and, later, in Russia - followed by the destabilization and virtual stoppage of entire economies, characterize the current crisis and result from the free flow of portfolio investments and finance demanded by the global financial oligarchs. Since the crisis erupted, the value of the Indonesian rupiah has fallen by 80% against the dollar, and the Korean won and the Thai baht by 40%. Such devaluation involves the depletion of loans and investments, sky-high interest rates, widespread bankruptcies of companies and businesses, sudden drops in production and trade and stampeding hyperinflation.

The liberalization and deregulation of the inflow and outflow of foreign investments and profits, and the pegging of local currencies to the dollar are IMF-WB prescriptions to neocolonial and dependent countries to attract foreign investments which are expected to be the main source of financing for export-oriented production. On the other hand, the World Bank sold the concept of "emerging markets" (markets outside established financial centers) to banks and Western investors and provided the seed fund for expanded investments in bonds, real estate and the stock markets of such economies.

Profits from such investments in East Asia reached up to 42% in 1988 and 98% in 1989 and set the "emerging markets" on its flight and created a mad rush starting in 1993 that suddenly inflated the stock, bond and real estate markets of East Asia, reaching a peak in 1996 when \$93 billion flowed into South Korea, Indonesia, Thailand, Malaysia and the Philippines and giving "globalization" a miraculous shine.

Since 1994, however, exports have lost steam and trade and current-account deficits have worsened resulting largely from the loss of their price advantage after China launched its export offensive and devalued its currency and the Japanese yen fell in value. The stream of speculative and portfolio funds in the following years concealed the worsening deficit, overvalued the local currency and created a massive bubble of borrowings and financial speculation.

When George Soros and his cabal of speculators attacked in 1997, currencies in East Asia were drastically devalued in a few weeks and more than \$100 billion in the regions' central bank reserves were squandered in a failed attempt to defend their currencies. There was a net withdrawal of foreign funds reaching \$12 billion from South Korea, Indonesia, Thailand, Malaysia and the Philippines. In a year, \$105 billion flowed out (\$12 billion net outflow in 1997 coming after a \$93 billion net inflow in 1996), equivalent to 11% of total production in these countries. In the span of a few months, the overall value of stock markets in Asia fell by 60%.

The plunge of currencies and stocks, bonds and real estate markets in East Asia destabilized currencies and stock markets around the world, rocking even the US and Europe and tearing apart the myth of imperialist "globalization". After a momentary calm in January and February of 1998, currencies and stock markets fell again in East Asia. In September 1998, the stock market fell to its lowest level in 12 years. Because the US and Europe were not drawn into the second Asian meltdown, the notion that the crisis was limited to Asia was already making the rounds, when Russia unilaterally devalued the ruble and defaulted on its debt in August 1998. American and European banks and investors were hit by another and far bigger round of profit losses running to hundreds of billions of dollars which was followed by stock market drops that melted \$4 trillion in financial global wealth.

The extreme volatility of the global financial system is a result of excessive financial manipulation, abuse and speculation while overproduction, shrinking markets and falling rates of profit undermine the real economy. The bubble of borrowings and speculation in the "emerging markets" is a small part of the

bubble prevailing over the entire capitalist system. The value of stock market transactions is 30 to 40 times more than the real value of global production. The daily transactions in the global currency market are worth almost \$2 trillion, while the value of annual global exports is only \$5 trillion. Due to the unprecedentedly large speculative bubble prevailing over the financial market, financial instruments have acquired a life of their own as evidenced by the continued rise of Wall Street stock prices even as profits and sales of listed corporations are declining. This bubble is kept afloat by sustaining and continually increasing the flow of funds that are wagered at the giant wheel of speculation. And to sustain such a flow, various, interrelated and overlapping levels of transactions, instruments of purchase and sale and statistical sleight-of-hand, estimates and forecasts are employed to siphon people's savings, and funds and reserves of governments and all other types of private and public institutions in all parts of the world. Aside from institutionalized speculators that are based in giant commercial and investment banks, stock brokering firms, insurance companies, etc. - the bourgeois mass media, paid academics, officials of imperialist governments and international institutions such as the IMF-WB are involved in conjuring and bloating this bubble. This is commonly called pyramiding and swindling when done by humbler folks.

Soros is just a particular kind of speculator who is typical of financial operators in the global centers of finance. He operates together with the largest banks and other financial giants in New York, London and Tokyo, raking in profits as they move in or out, running after billions of dollars of superprofits with every fluctuation in market prices, with every inflow and outflow of funds wagered in whatever market that is currently flying high or in free fall. In fact, during the fall, it was still the representatives and personnel of these financial oligarchs who cooked up the "bail-out packages" and continued to earn huge fees and profits as partners of the IMF in the implementation of "recovery programs".

Debt Crisis

The entire global capitalist system is swimming in an ocean of debt that progressively deepens and widens as the probability of repayment becomes increasingly nil. This global crisis resulting from the unsurpassed abuse of the credit system is a major source of the financial oligarchy's billions of dollars of superprofits, and has, at the same time, been a major cause of the instability of the financial system for the past two decades and resulted in the past two years in a debt deflation that severely hinders the flow of financing and further aggravates depression in large parts of the world.

The debt crisis of backward countries erupted in the early '80s when Mexico threatened to stop servicing its foreign loans, sending shockwaves throughout the banking system of capitalist countries. Prior to this, global banks encouraged lending to governments of backward countries because they were awash with uninvestable funds due to the stagflation prevailing in the West. A large portion of the loans was wasted in corruption, in the reactionary ruling classes' luxury spending, in funding militarization and counter-revolutionary wars and other unproductive expenditures such as projects and extravaganzas to entertain tourists. When the global market for raw material exports began imploding in 1979, many of the countries that borrowed large amounts lost the capacity to continue servicing their debts.

It was at this point that the IMF-WB started playing the role of debt collector for giant commercial banks and Western governments, and imposer of conditions and "structural adjustment" programs which ruthlessly ripped apart the economic, trade, financial, tax and budgetary policies and structures of debt-ridden countries. Backward debt-burdened countries were compelled to carry out belt-tightening measures, sell the "family jewels" at bargain prices, agree to the deterioration of already primitive social services, the sacrifice of food production and other basic needs of the people, the tightening control by foreigners of all important aspects of the economy, and to follow all impositions on deregulation and liberalization in favor of foreign capital - just so as to repay their debts. Whatever wealth and progress the debt-ridden countries have mustered in the past decades have been sacrificed, their people driven into greater privation. Large parts of the world were ravaged by famine, epidemics and ethnic and religious strife. Yet despite all this, instead of falling, total debt has risen further, and the debt crisis has not eased but worsened.

When the crisis began, the total foreign debt of backward countries was almost \$600 billion. This reached \$1086 billion in 1986, \$1419 billion in 1992 and \$2000 billion by 1995 (including the debt of the former Soviet bloc countries). From 1980 to 1992, the overall payment made on the debt principal (\$891 billion) and interests (\$771 billion) was three times more than the original debt in 1980. Yet in the end, the sum of unpaid debt is still one and a half times greater than the original amount. Like a peasant under the yoke of a loan shark, these backward countries are forced to borrow at higher interest so as to amortize the old debt. Since 1984, governments of debt-ridden countries have paid more than they have received in new loans and assistance from the rich nations' governments and commercial banks and the IMF-WB. The net result of official transactions has been an outflow, not an inflow, of funds.

While the old debt crisis of backward countries continues to pester and further worsen, the crisis in Asia has exposed a new aspect of the international debt crisis: the mountains of debt of private companies that pose an even bigger threat to the whole global financial system. During the time of the bubble and the mad rush of private banks and business firms for a larger share in the fantastic profits from the "emerging markets", there was a flood of cheap loans which were taken advantage of by companies that borrowed heavily to aggressively expand their market share. This further speeded up and intensified the accumulation of overcapacity and the crisis of overproduction. When the bubble burst, it left in its wake a huge pile of bad loans.

In East Asian countries which were worst hit by the crisis, the loans of a typical company listed in the stock market are estimated to be 400% to 600% of their capital. The amount of bad loans is equal to 50% to 100% of the overall produce of many countries in the region. The banking system in the countries seriously hit was crippled because a large part (20% or more) of their loans to real estate, construction and other private firms could not be paid.

The extremely heavy debt burden cripples not only the banks but entire economies as well. This burden is made heavier by the mountain of bad loans; banks are completely dependent on external funding for the hundreds of billions of dollars required to recapitalize and resume lending. But they can only borrow at rates three times more than those prevailing before the crisis. It even remains uncertain whether anyone is ready to provide credit because there is an intensification instead of an attenuation in the overall decline of investments and loans. The overall inflow of direct foreign investments to "emerging markets" fell to \$186 billion from \$300 in 1996, and is expected to drop further to \$119 billion in 1999. Moreover, the entire credit system has been overextended by efforts to put out the conflagration that continues to grow and spread rapidly.

Japan is also saddled by an intense debt crisis. The bad loans of Japanese banks are estimated to reach \$600 billion. They have lent more than \$270 billion to Asia. Some believe that the Japanese bad debt problem can be twice as bad as what is reported. Fourteen of the 21 largest banks in Japan (including some of the largest in the world) have excessively high rates of bad loans. The US government is pushing the Japanese government to quickly solve the banking crisis because this is a major reason for the continued contraction of private investments and loans in Japan. The danger goes beyond Japan since despite the crisis, Japan remains the largest creditor country.

The loans of European banks to Asia are equivalent to 49% of their total capital. This already has dire consequences, but its impact is less compared to the blow inflicted on them by Russia's debt default, the closure of its principal banks and the resulting capital flight in widespread parts of the world. US banks which thought they had avoided the intense credit crisis in Asia were jolted even more violently by the Russian crisis and are threatened with a direct hit by the Latin American storm. A large percentage of the loans of global banks have lost all chance of being repaid; this will slash a large chunk of capital from the entire banking system and will cause the fall of even the largest banks. At the same time, the debt crisis will deepen and prolong further the dislocations in production and sow even greater terror the world over.

Communique of the International Seminar on Mao and People's War

We, the undersigned participants, hereby affirm the successful holding of the International Seminar on Mao and People's War to celebrate the 105th birth anniversary of Comrade Mao Zedong convened in December 1998. The seminar is convened by the Communist Party of India (ML) (People's War), the Communist Party of the Philippines and the Communist Party of Turkey / ML and includes as participants parties upholding Marxism-Leninism-Maoism or Mao Zedong Thought and waging people's wars and other parties supporting people's war. We are gratified by the enlightening and informative written contributions, oral presentations and exchange of views on the following topics: The crisis of the world capitalist system and the ruling system in the participants' respective countries and the meaning of Mao's teachings on people's war today, and The status of revolutionary forces, experiences and plans in the participants' countries. The results of the seminar are as follows:

The participants have been able to raise the level of their common understanding of the crisis of the world capitalist system and of Mao and people's war and have pledged mutual support under the principle of proletarian internationalism. Moreover, even with recognition of some differences they pledge to carry out further political and ideological discussions and at the same time carry out common practical tasks in struggle and in order to achieve a higher level of unity. The parties waging people's war have formulated and issued the General Declaration on Mao and People's War. Resolutions have been passed on important issues. We agree on the following points: We honour Mao Zedong as the great exponent of the theory and practice of people's war in the new-democratic revolution in China against imperialism, feudalism and bureaucrat capitalism. The historical experience proves that Mao's theory and practice of people's war is in consonance with the teachings of Marx that the class struggle must lead to the dictatorship of the proletariat. Mao's proletarian revolutionary line consistently runs from people's war and the new democratic revolution through socialist revolution and construction to the theory and practice of continuing revolution under the proletarian dictatorship -which is his most outstanding contribution to the development of Marxism-Leninism. We acknowledge Mao as the master strategist of people's war. His development of the strategy and tactics of people's war remains unsurpassed to this day. His works on people's war involve the application of materialist dialectics and the revolutionary class line in the process of revolutionary war. Mao's theory and practice of people's war consistently carries forward the fundamental principles of Marxism-Leninism. It is a further development of Lenin's theory and practice of the two-stage revolution, in which the socialist revolution follows the bourgeois-democratic revolution of a new type. The strategic line of protracted people's war, involving the encirclement of the cities from the countryside, is the revolutionary expression of the fundamental democratic alliance of the proletariat and peasantry. It is applicable in many countries, like those where the peasant masses are the majority among the basic producers and fight for agrarian revolution as the main component of the democratic revolution. There are a number of Communist parties successfully carrying out the strategic line of protracted people's war in accordance with the teachings of Comrade Mao. They avail themselves of the inexhaustible participation and support of the people. They have built or are preparing to build democratic organs of political power. They have consolidated and expanded the organized strength of the masses in the course of fierce revolutionary struggle. They have overcome all kinds of enemy offensives including the enemy's use of the "low intensity conflict" strategy, the anticommunist ideological and political offensive related to the fall of the revisionist regimes, the misrepresentation of armed revolutionary movements as terrorism and, in certain cases, offers of peace negotiations and the sham calls for "peace and development". In maintaining their revolutionary position, they have outlasted the armed movements previously enjoying the support of revisionist-ruled countries as well as bourgeois mass media hype. Such movements have been betrayed by opportunist leaders and led astray to capitulation and neocolonial compromise. The people's wars and the revolutionary uprisings constitute the most advanced detachment of the struggle against the "New World Order". Objectively, they are inflicting severe blows against imperialism, are showing that the people's resistance cannot be suppressed, and are strengthening the self-confidence of the masses. They are giving the general signal for the advancement of the struggles against contemporary imperialism, and they are playing a crucial role in the

reconstruction of the communist movement. They answer the central question of revolution, which is the seizure of political power. We are hopeful that the seminar will inspire the parties waging people's war as well as the parties supporting it, to carry forward their revolutionary struggles in all possible and necessary forms in their respective countries. December 1998 SIGNATORIES:

Arranged in alphabetical order of countries *Revolutionary Communist Party of Argentina

* Workers' Party of Belgium

* Revolutionary Communist Party of Brazil

* Action Socialiste-Canada

* Revolutionary Marxist-Leninist Party of Chile

* A/Synechia (Greece)

* Communist Party of Greece (Marxist-Leninist)

* Communist Party of India (ML) People's War

* Maoist Communist Centre (India)

* Rossoperaio (Italy)

Communist Party of Aotearoa

* Workers' Party of New Zealand (with reservations)

* Communist Workers' Party of Norway

* El Diario Internacional (Peru)

* Communist Party of the Philippines

* Workers and Peasants Russian Party

* Communist Party of Turkey/Marxist-Leninist

* Communist Party of Catalunya (Spain)

* Ray O. Light Group (USA) (except sentence 3, no.1 on the points of agreement)

Subsequent signatories.

General Declaration on Mao and People's War

We, Marxist-Leninist-Maoist parties waging people's war, have taken the initiative to convene the International Seminar on Mao and People's War in celebration of the 105th birth anniversary of Comrade Mao Zedong. On this occasion, we propose this declaration for adoption by the seminar participants and other parties that are unable to attend the seminar. The objective of the seminar is to pay tribute to Comrade Mao Zedong for his teachings on people's war and to uphold the significance and necessity of these in advancing the national liberation movements, the broad anti-imperialist movement and the world proletarian revolution.

The participants of the seminar include delegations of parties that wage people's war, that prepare for it or that recognize its high importance and support its waging. All participants stand on the common ground that people's war, especially the strategic line of protracted people's war, plays a crucial role in carrying out new-democratic revolutions as the prelude to socialist revolution in most countries of the world.

The participants recognize and espouse people's war as a political necessity in relation to current and foreseeable circumstances in the crisis of the world capitalist system and the revolutionary struggles of the people of the world against imperialism and for socialism.

All the parties represented in the seminar express adherence to the science of Marxism-Leninism and the necessity of integrating it with the concrete conditions in their respective countries.

While respecting the right of independence and equality of all Parties, the overriding purpose of this seminar is to raise their level of common understanding, mutual support and cooperation among them in

waging people's war and other forms of revolutionary struggle, under the principle of proletarian internationalism and thereby strengthen the struggle against imperialism on a world scale.

We, in particular the Marxist-Leninist-Maoist parties waging people's war, reaffirm the General Declaration on Mao Zedong Thought adopted to commemorate Comrade Mao's 100th birth anniversary. We regard Comrade Mao as one among the greatest thinkers and teachers of the international proletariat for his significant contributions related to philosophy, political economy, social science, Party building, new-democratic revolution through people's war, socialist revolution and construction, and proletarian cultural revolution.

We uphold that Mao Zedong Thought or Maoism represents a higher stage in the development of Marxism-Leninism in which the theory and practice of continuing revolution under proletarian dictatorship is available in order to consolidate socialism, combat revisionism and prevent the restoration of capitalism. We adhere to the political line that all forces and all people must unite under the leadership of the proletariat against imperialism and all reaction in the course of new-democratic and socialist revolutions.

Wherever and whenever necessary to carry out the new-democratic revolution under the leadership of the advanced detachment of the proletariat, people's war must be carried out in accordance with the revolutionary essence of Marxism-Leninism. In such circumstances, the outright denial of the need for people's war is revisionist. It is likewise revisionist to delay indefinitely the commencement of people's war.

Contrary to the view of the revisionists and reformists, there is no peaceful road to socialism. It is necessary and advantageous for the revolutionary proletariat to wage armed revolution and carry out in quick succession the bourgeois-democratic and socialist stages of the revolution at the weakest links of the imperialist chain, in accordance with Lenin's teachings on uneven development under imperialism. The waging of people's war in the semicolonial and semifeudal countries is favorable to the class struggle in the imperialist countries and to the eventual overthrow of the monopoly bourgeoisie by the proletariat.

The level of economic and technological development in imperialist countries is desirable for socialism but it is in these countries that the monopoly bourgeoisie have the most developed means for suppressing proletarian armed revolution. Therefore when the proletariat and the people in the semicolonial and semifeudal countries wage people's war it brings closer the day that the proletariat rises up to overthrow the monopoly bourgeoisie in the imperialist countries.

Comrade Mao pointed out that protracted people's war was possible in a country like China because of its uneven development, turbulent political situation, its backward economy, and its decentralized system of communications. He contrasted these conditions with those in advanced capitalist countries, which require protracted legal struggle to precede the armed revolution.

Under the present circumstances, the Marxist-Leninist-Maoist parties waging people's war play a crucial role in upholding the Marxist-Leninist theory of state and revolution and carrying the world proletarian revolution forward through armed revolution. If there were no people's war in the semicolonial and semifeudal countries, the proletariat in the imperialist countries could be further weakened politically with a greater possibility to be further led astray towards reformism and revisionism.

Significance and Necessity of People's War

We honor Mao Zedong as the great exponent of the theory and practice of people's war in the new-democratic revolution in China against imperialism, feudalism and bureaucrat capitalism. It is necessary to study Mao's teachings on people's war in connection with the past, current and future circumstances in order to wage it. Carried out correctly and given full play under the leadership of the revolutionary party of the proletariat, people's war is an invincible weapon in new-democratic revolutions.

Mao's theory and practice of people's war is in consonance with the teachings of Marx that the class struggle must lead to the class dictatorship of the proletariat. It is also a further development of Lenin's theory and practice of the two-stage revolution, in which the socialist revolution follows the bourgeois-democratic revolution of a new type.

We acknowledge Mao as the master strategist of people's war. His development of the strategy and tactics of people's war remains unsurpassed to this day. His works on people's war involve the application of materialist dialectics and the revolutionary class line in the process of revolutionary war. Mao's theory and practice of people's war consistently carries forward the fundamental principles of Marxism-Leninism. It constitutes a component in the development of Maoism and lays the basis for the advances made by Mao in socialist revolution and construction, up to the Great Proletarian Cultural Revolution.

Mao's teachings on people's war continue to be a rich and powerful source of knowledge on the relationship of social and political analysis with various forms of warfare (guerrilla, regular mobile, positional and uprisings) under various conditions and the development of these forms of warfare through stages and phases in the course of civil war or national war against foreign aggression.

The strategic line of protracted people's war, involving the encirclement of the cities from the countryside, is the revolutionary expression of the fundamental democratic alliance of the proletariat and peasantry. It is applicable in most countries of the world, where the peasant masses are in the majority among the basic producers and fight for agrarian revolution as the main component of the democratic revolution.

The strategic line of protracted people's war allows the revolutionary forces to build a people's army and accumulate strength in the countryside until it becomes possible to seize political power in the cities. The countryside provides the revolutionary forces the room for maneuver to grow from small to big and from weak to strong in the course of self-reliant revolutionary struggle. By relying on the masses as the inexhaustible source of strength and launching successful tactical offensives, the people's army can advance from the strategic defensive to the strategic stalemate and then finally to the strategic offensive to seize power in the cities on a nationwide scale.

In some countries, where there is a certain amount of industrial capitalist development but where the proportion of poor peasants and farm workers is still significant, it is also necessary to take into account and give full play to their revolutionary role in combination with that of the working class. Even after the seizure of political power through city uprisings in Russia, the Bolsheviks had to undergo the test of revolutionary armed struggle in the countryside during the civil war and the war against foreign intervention.

The overwhelming majority of the countries of the world are still mired in feudal and semifeudal backwardness. In these countries, the worst forms of oppression and exploitation are carried out by the imperialists and local exploiting classes against the working class and peasantry. It is clear and urgent that in these parts of the world the revolutionary party of the proletariat must lead the broad masses of the people to wage armed struggle as the principal form of revolutionary struggle and to pursue the strategic line of protracted people's war.

Revolutionary armed struggle is the principal form of struggle because it responds to the central question of revolution, which is the seizure of political power. In line with the Marxist-Leninist theory of state and revolution, Chairman Mao teaches us that political power grows out of the barrel of a gun. He also teaches that, without a people's army, the people have nothing. The people can hope for and lay the basis for social revolution only when they have a people's army.

The strategic line of protracted people's war is not applicable in industrial capitalist countries. But the general theory of people's war is undeniably of universal significance. It is likewise of universal

significance that the class struggle in the imperialist countries and the protracted people's war in semicolonial and semifeudal countries are dialectically interconnected.

It is always a requirement for the revolutionary party of the proletariat to rely on and trust the masses and to arouse, organize and mobilize them in overthrowing the enemy in a protracted people's war under agrarian conditions or in workers' uprisings in the industrial capitalist countries. Mass organizations and organs of political power must be built as the solid core of the broad masses of the people. Tactics of the united front are employed to arouse, organize and mobilize the broad masses of the people in their millions. All possible forms of revolutionary struggle are carried out with the strategic aim of seizure of power by armed force.

There are a number of communist parties successfully carrying out the strategic line of protracted people's war in accordance with the teachings of Comrade Mao. They avail themselves of the inexhaustible participation and support of the people. They have built democratic organs of political power. They have consolidated and expanded the organized strength of the masses in the course of fierce revolutionary struggle.

The people's war being waged under the leadership of the revolutionary parties of the proletariat stand out in preserving and expanding revolutionary strength in the course of fighting against the imperialists and the local reactionaries. They are highly significant for holding aloft the great red banner of armed revolution, for grasping the essence of revolution and responding to the central question of revolution.

Marxist-Leninist parties waging people's war are tried, tested and tempered in fierce revolutionary struggle against the enemy. They sum up their experience, learn from positive and negative lessons, take stock of their strengths and accomplishments, rectify errors and weaknesses, set the tasks for raising the revolutionary struggle to a new and higher level and march forward from victory to victory. They pursue the mass line in waging people's war. They arouse, organize and mobilize the masses. They trust and rely on them.

They have overcome all kinds of enemy offensives, including the enemy's use of "low-intensity conflict" strategy, the anticommunist ideological and political offensive related to the fall of the revisionist regimes, the misrepresentation of armed revolutionary movements as terrorism and, in certain cases, offers of peace negotiations and the sham calls for "peace and development". In maintaining the revolutionary position, they have outlasted the armed movements previously enjoying the support of revisionist-ruled countries as well as bourgeois mass media hype. Such movements have been betrayed by opportunist leaders and led astray to capitulation and neocolonial compromise.

The Marxist-Leninist-Maoist parties, now waging protracted people's war, play a crucial role in the transition of the revolutionary proletariat and people from a period of revisionist betrayal and temporary setbacks, following the great victories of socialism and national liberation movements, in the second half of the 20th century to a new period of great struggles and great advances in the world proletarian-socialist revolution of the 21st century.

They hold high the torch of armed revolution. They light up the road of revolution and inspire the proletariat and people of the world, in both imperialist and oppressed countries, to wage ever more resolute and militant revolutionary struggles against the imperialists and the reactionary forces of darkness. The current victories of people's war are the victories of the proletariat and people of the world.

It is therefore the internationalist duty of all communist parties, all revolutionary forces and people to give all possible forms of support to parties and peoples that wage protracted people's war now and in the future. The victories of people's war strengthen and support all other forms of revolutionary struggle in the world.

Heightened Significance and Necessity of People's War

The objective conditions for waging people's war are excellent more than ever before. The gravity of the crisis of the world capitalist system is unprecedented since the Great Depression. The new world disorder is daily becoming worse. The current crisis exposes once more the parasitic, destructive and moribund character of monopoly capitalism. We are in the era of imperialism and proletarian revolution.

In this era of imperialism and proletarian revolution, the imperialist powers use structures of states and business corporations to oppress and exploit the people, aggrandize national and ultranational interests, form international combines against the people and yet compete with each other. Likewise, in this era of proletarian revolution, the proletariat and its revolutionary parties lead the broad masses of the people in the struggle for socialism against imperialism in specific countries and on an international scale.

The rapidly rising social character of production through the adoption of higher technology is in sharp contradiction with the monopoly capitalist character of capital accumulation. This has resulted in the rapid concentration and centralization of capital in the hands of the monopoly bourgeoisie in the imperialist countries.

The accelerated accumulation of capital under the imperialist policy of "free market" globalization involves not only the concentration of productive capital but more importantly also the unregulated growth of finance capital, which includes among others the overvaluation of assets, speculative mergers and the flagrant use of international usury at the expense of the oppressed peoples.

The overaccumulation of capital and unbridled superprofit-taking by the monopoly bourgeoisie at the expense of the proletariat and people in both imperialist and oppressed countries entail chronically rising levels of mass unemployment, worsening wage and living conditions and unbridled attacks on the democratic rights and social gains of the working people. These have constricted the global market and have resulted in an ever-worsening crisis of overproduction in all types of goods.

The crisis of the world capitalist system falls most heavily on the oppressed peoples in Asia, Africa and Latin America. They suffer the worst forms of oppression and exploitation in the hands of the imperialists and their reactionary stooges. A number of oppressed peoples are waging people's war and they are bound to increase. Thus, the storm centers in the present-day world continue to be the backward countries of the world. The crisis in Russia, East Europe and other former Soviet republics has further deepened, driving the vast majority of the people of these countries to the mercy of monopoly capital's rapacious greed. The imperialists' chain will break at its weakest links, where both the objective factors and subjective forces have matured for the seizure of political power.

The overwhelming majority of the countries dominated by imperialism have been depressed by the crisis of overproduction in raw materials since the late '70s. They have been subjected to deteriorating terms of trade, crushing debt burdens and a series of structural adjustment and austerity programs imposed by the International Monetary Fund, World Bank and World Trade Organization.

In the current aggravation of the world capitalist crisis, the so-called emerging markets (countries whose export specialties have been promoted by imperialism) have plummeted economically and socially due to the global oversupply of their exports and their incapacity to pay for colossal foreign debts. Russia and the East European countries have also plunged from one level of economic and social degradation to another due to the rapacity of the ruling classes, the falling prices of their few exports and the mounting foreign debt.

The number of countries, where national industrial development is being prevented, stunted or destroyed and where the oppressed peoples suffer the severest forms of exploitation, have increased. Chronic mass unemployment ranges from 30 to 60 percent. Poverty afflicts the overwhelming majority of the people.

The contradiction between the monopoly bourgeoisie and the proletariat has also intensified in imperialist countries. The proletariat and the people are launching legal forms of struggle to make protests and demands. Under these circumstances, revolutionary parties of the proletariat can be built and can grow in strength in order to advance the revolutionary cause of socialism.

Under the great red banner of proletarian internationalism, the class struggle of the proletariat in imperialist countries can make further advances in concert with the anti-imperialist and class struggles in the semicolonial and semifeudal countries. The resistance of the oppressed peoples to the policy and efforts of the imperialists to shift to them the burden of the imperialist crisis conjoins with and supports the class struggle for socialism in the imperialist countries.

The imperialist powers collude in oppressing and exploiting the people of the world. But the worsening crisis of the world capitalist system leads to cutthroat competition, further crises, fascist currents and wars on a wider scale. These are inherent to imperialism.

At the moment, the imperialists, especially the US, and their local stooges are unleashing counterrevolutionary violence against the people. They are also busy expanding and reinforcing their military alliances and instigating regional and local wars.

However, with more Marxist-Leninist parties waging people's war on a wide scale, the people of the world can either avert a world war, or if any war breaks out upon the instigation of the imperialists, convert the war into a revolutionary war against the imperialists and their reactionary stooges. The worsening new world disorder is the prelude to social revolution on a global scale.

Background, Actuality and Potential of People's War

It is urgent to reaffirm the study and practice of Mao's teachings on people's war against the "low-intensity conflict" strategy of US imperialism as well as against the revisionist and petty-bourgeois obfuscation of these teachings since the mid-'70s.

These teachings resounded from the great victories of the Chinese and Indochinese peoples in people's war. But from the late '70s onward, the Chinese revisionists sought to liquidate the people's wars in Southeast Asia under the slogan of "regional stability, peace and development". They maneuvered from an anti-Soviet and anti-Vietnam position to a pro-US position and ultimately compelled the Khmer Rouge to submit to a "peace settlement" under UN auspices.

On their part, the Soviet revisionists boasted of their strategic military parity with the US and spread the notion that Soviet military assistance is the decisive factor for national liberation movements to win victory. Thus, revisionist and petty-bourgeois ideas of quick military victory, that depend on foreign assistance, gained ground in these movements.

The Carter and Reagan regimes took up the Kennedy idea of "counterguerrilla warfare" and pushed the "low-intensity conflict" strategy. Thus, they armed counterrevolutionaries in Angola, Mozambique and Nicaragua to counter and fight the patriotic and democratic aspirations of the people.

But several Marxist-Leninist parties leading people's war have persevered and grown in strength in the wake of the further degeneration or disintegration of movements and regimes under revisionist leadership or influence. They have preserved and strengthened themselves against all sorts of "counterinsurgency" campaigns, including the most brutal forms of military campaigns and population control and against the psywar tactics of "low-intensity conflict" or "low-intensity democracy".

Having in mind the victories of people's war against the militarily and technologically superior enemy, they hold strategic hatred and contempt for the imperialist display of high-tech weapons in the positional war in

the Gulf. They always remember how US imperialism used high-tech weapons in its war of aggression in Vietnam and Indochina but was roundly defeated by the people. They take the firm position that the most decisive force is people and not weapons.

Marxist-Leninist parties can continue to wage people's war and cannot be defeated by any kind or level of conflict unleashed by the imperialists and reactionaries because they do painstaking mass work among the peasant masses, mobilize them for agrarian revolution and thereby strengthen the worker-peasant alliance along the general line of new-democratic revolution, with a socialist perspective.

The revolutionary parties of the proletariat are duty-bound to wage all forms of revolutionary struggle in the face of escalating oppression and exploitation under the worsening crisis of the world capitalist system. Under the present circumstances, it is possible to intensify the ongoing people's war and to initiate them in many more countries.

The collapse of the so-called emerging markets of East Asia renders fertile the ground for people's war, especially in Southeast Asia. The Communist Party of the Philippines has proven in the last 30 years that it is possible for revolutionary forces to preserve themselves and grow in strength by waging people's war in a country that is historically and currently a major foothold of US imperialism.

Indonesia is now wracked by unprecedented social and political turmoil and conditions are rife for people's war. The blood of more than one million martyrs cry out for justice and revolution. Suharto and his reactionary successors cannot be totally overthrown, without people's war being waged successfully by the Communist Party of Indonesia.

Conditions for waging people's war are also favorable in other Southeast Asian countries, such as Cambodia, Thailand, Burma and Malaysia.

In South Asia, the newly reconstituted Communist Party of India (Marxist-Leninist) People's War now comprised of the erstwhile CPI (ML) PW and the erstwhile CPI (ML) (People's Unity), the Maoist Communist Centre, the Communist Party of Nepal (Maoist) and other Marxist-Leninist parties are waging people's war. Other armed movements are also waging wars of national self-determination, which serve to weaken the reactionary states. The revolutionaries of India continue to take the road of Naxalbari. India is a vast stage for the great drama of people's war, comparable to China.

The Communist Party of Turkey/Marxist-Leninist is leading people's war in a country that is at the crossroads of several global regions. It plays a signal role in the Balkans, Central Asia and the Middle East. In these regions are armed revolutionary movements for national determination against oppression (especially the one led by the Workers Party of Kurdistan) as well as fratricidal conflicts instigated by the imperialists and the local reactionaries. The people's war in Turkey adheres to the line of new-democratic revolution which has a socialist perspective.

In Latin America, the Communist Party of Peru plays an exemplary role in waging people's war amidst the long-running influences of focoismo, petty-bourgeois urban insurrectionism, urban guerrilla warfare, and ideas that minimize the existence and revolutionary role of the peasant masses. There are also parties preparing to wage people's war in several more countries, as in Brazil.

Moreover, there are armed revolutionary movements, such as those in Colombia and Mexico, which in practice avail of the room for maneuver in the countryside but do not consider themselves Maoist even as some of their cadres read and study Mao. In certain countries, some parties lead militant mass movements of the workers and the rest of the people and seek to combine workers' uprisings and armed peasants' uprisings.

In Africa, fratricidal conflicts instigated by the imperialists and local reactionaries are rampant. This is true in northern Africa, as in Algeria, as well as in central and southern Africa. There is also a degeneration of

regimes that once before declared themselves as new-democratic or even socialist. In recent times, there is an antidespotic armed movement against the long-running Mobutu regime in the Congo. But there is still a need for a new-democratic revolution, through people's war in the entire African continent.

In Russia and the former Soviet bloc countries, there is rapid economic and social degradation because of the destruction of industries. There is once more an increasing ground for people's war as well as for workers' uprisings. In fact, there have been widescale armed uprisings in the hinterlands, as in the Caucasus and Central Asia. But these are still characterized by conflicts of reactionary interests, such as those between great Russian chauvinism and local nationalism.

Marxist-Leninist-Maoist parties must arise and must wage people's war for a new-democratic revolution and subsequently socialist revolution, wherever the ruling classes of big compradors and landlords can no longer rule in the old way and the people demand armed revolution and wherever there is need for armed resistance against despotism and national oppression.

Calls for People's War and International Support

We, the Marxist-Leninist-Maoist parties now waging people's war, hereby express the determination to persevere in and raise the level of revolutionary struggle in order to carry out the new-democratic revolution and proceed to the socialist revolution.

We call upon all other revolutionary parties and oppressed peoples in countries where people's war is possible and necessary, to prepare for and proceed promptly to wage people's war.

We call upon all other armed revolutionary movements among the oppressed peoples to raise the level of their revolutionary struggle and to unite with Marxist-Leninist parties waging people's war on the common ground of anti-imperialist and democratic solidarity.

We call upon all the parties, mass organizations, movements, other entities and entire peoples, in all countries, to carry out and carry forward all possible and necessary forms of revolutionary struggle and support the forces waging revolutionary armed struggles for national liberation, people's democracy and socialism.

We call upon all parties to sign this declaration by way of manifesting their agreement therewith as well as their commitment to perform what is within their capability, either to carry out or to support the waging of people's war for national liberation, people's democracy and socialism anywhere in the world.

Signatories

Parties Waging People's War:

* Communist Party of India (Marxist-Leninist) People's War

* Maoist Communist Centre (India)

* Communist Party of the Philippines

* Communist Party of Turkey/Marxist-Leninist

Other Signatures Expected Parties Supporting People's War:

* Marxist-Leninist Organization of Afghanistan

Communist Party of Aotearoa

* Workers' Party of Belgium (except paragraph 8)

* Communist Party of Brazil (Marxist-Leninist)

* Communist Party of Catalunya (Marxist-Leninist)

* Communist Party of Greece (Marxist-Leninist)

* Workers' Communist Party of Norway

* El Diario Internacional (Peru)

* Russian Workers' and Peasants' Party
Subsequent Signatories

Communists Gain in German Elections

The defeat of the Kohl government in the German national elections was a direct result of the growing 'new opposition'. German monopoly capitalists lost their favoured party of government, in the first defeat of a sitting government in the history of the Federal Republic. The government suffered most heavily in areas targeted by the new opposition. Demonstrations were widespread despite bourgeois attempts to contain the campaign within 'respectable' channels. 12,000 demonstrated in Düsseldorf against the SPD/Green government's education cuts there. A large anti-fascist demonstration was held in Rostock in the week of the election, generating a big electoral defeat for the neo-fascists in the area.

The new opposition in Germany centres on the upsurge in working class militancy that has emerged since the cuts to social welfare in 1996. Amidst chronic unemployment, growing numbers were unconvinced by promises of a forthcoming economic upswing. At least 14 independent strikes and militant actions have been staged since February. Opposition organisers experienced unprecedented interest in their explanations of capitalist crisis in the course of the election campaign.

Communists Election Campaign

A leading force in the new opposition, the Marxist Leninist Party of Germany (MLPD), scored considerable success in the election campaign. The MLPD's vote increased in most of the 41 constituencies targeted, doubling in 17, and gaining 5% of the vote in some wards of the industrial city Gelsenkirchen. While the bourgeois media effectively censored coverage of parties such as the MLPD, even in their strongest areas, well organised street campaigning proved very effective. 1200 people attended the party's main election meeting in Hans-Sachs-House. In the course of the campaign new party groups were set up and the MLPD expects to obtain its goal of a 25% increase in membership by the year's end.

The MLPD and its youth organization *Rebell* are represented in more than 200 cities, towns and regions, and in Germany's new federal states, too. Work in factories and unions constitutes the Party's firm basis. Sixty-five per cent of the membership are blue-collar workers and simple white-collar workers. Work in factories and unions constitutes the Party's firm basis. Forty per cent of the members are working in factory Party groups in large industrial firms. Members from the intelligentsia see their future in the alliance for struggle under the leadership of the working class. Party groups are also active at universities and in rural areas. The German Federal Bureau for the Protection of the Constitution lists the MLPD as the third largest communist party in Germany.

MLPD Central Committee member Monika Gärtner said the party rose to the challenge of media censorship. "The offensive street election campaign has proven that a real and inspiring impact on the masses can be achieved in complete self-reliance and based on the masses. We can say without exaggeration that we conducted the most political, most imaginative and most militant election campaign of all parties."

The MLPD's electoral campaign was organised around voter action groups, with a total of 3,500 involved. These groups organised around 350 stalls, rallies, and processions at market places, in commercial centers, in front of factories, and through residential areas with speeches, music, and discussions through residential areas. Nearly 13,000 people attended over 100 public meetings and the party estimates they talked to 50,000 people in the course of the campaign. 16,000 posters were pasted up, 150,000 party programmes and 170,000 candidates' letters were distributed. The campaign was totally independently financed.

The MLPD characterised their campaign as 'proletarian parliamentarianism', distinguished from the dominant 'petty-bourgeois parliamentary mode'. Said Gärtner, 'The bourgeois parties conduct election campaigns employing large amounts of materials for the manipulation of public opinion ... The system of the petty-bourgeois mode of thinking in society makes people ... believe that they know nothing about politics. They have often no confidence in themselves to play an active part, and they are accustomed to voting for some representatives acting on their behalf... In our offensive street election campaign we succeeded in breaking up these fetters of the petty-bourgeois mode of thinking on a general background of the awakening of class consciousness on a broad front".

The MLPD's election campaign was not pursued for its own ends but as part of the general political offensive. According to Gärtner, "The voter action groups will evaluate their work and will dissolve afterwards. Everybody who has begun political work needs a personal perspective of further organized activity in the new opposition. This ranges from the positive work in trade unions, the militant women's movement, ... to the membership in the MLPD and REBELL ... Therefore one climax of the political offensive is not the election day, but the consultation of automobile workers with international participation which will take place next weekend. Other milestones will be the consultation on women's issues on November 21/22, 1998, the national delegates' congress of the youth league REBELL in November, the International Women's Day on March 8, 1999 and especially the 9th International Whitsun Youth Meeting in 1999 in Gelsenkirchen."

SPD/Green Government Anti-Labour

The political tasks facing the new opposition remain large. While the change of government was not the preferred option of the monopoly capitalists, they remain firmly in control and will work easily with the new SPD/Alliance 90-Green-government. According to MLPD International Secretary Peter Brogwardt, "From the point of view of the monopolies [the Greens] have passed the test in the federal state of North Rhine Westphalia. There, they smoothly fitted in with the running of the government."

Said Brogwardt, "At the core of the program of a Schröder/Fischer government is an anti-labour policy of the monopolies, its main method is the negatively oriented policy of class collaboration which has already been pursued until now by the rightist leadership of the SPD and the trade unions. The intended "*alliance for work*" is in reality an alliance for cheapening the cost of labour, that means, for an intensified exploitation in the enterprises, for further reductions in real wages, for exempting the monopolies from social contributions and for a further rise in their profits. In the last years alone this has resulted in the shedding of 2.5 million jobs in the industry alone. As before this is true for the future: new jobs can only be created by struggle, at the expense of the profits ... A resolute struggle against mass unemployment, against the dismantling of social services and depriving people of their political rights can only be waged by the new opposition with the militant working-class movement as its core."

Source: *Rote Fahne* October 1, 1998