

STRUGGLE

A MARXIST APPROACH TO AOTEAROA/NEW ZEALAND

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Home Ownership Hurts Wages

While there is growing news media comment about low wage levels, and government programmes to redress a 'worrying fall in home ownership levels', there is no comment about the connection between home-ownership and low wages. For this connection to be made, the background to home-ownership and the wages system must be examined.

HISTORICAL REASONS FOR HOME-OWNERSHIP

In the United Kingdom, when capitalist enterprises, factories and mines were being established, 200 years ago, the provision of housing was used to attract and retain workers. However, there were serious shortcomings. Workers could be evicted when made redundant, or for non-payment of rent during a strike. On retirement, the retired worker and family faced the dreaded workhouse. Workers and their families longed for security of accommodation.

With the steady increase of new settlers in Aotearoa/New Zealand, this longing for the security of owning one's own home persisted, especially as the same capitalist economic system functioned locally. By the 1890's, Government's were responding with legislation to assist low-income workers with advances to buy sections and build modest dwellings. To a greater or lesser extent, depending on the strength of public campaigns, the state of the economy or the need to win electoral votes, successive administrations amended or introduced legislation to provide housing assistance.

The peak was reached when the 1935 Labour Government built thousands of

state houses to cope with the many families living in sub standard accommodation, following the Great Depression of 1929-33.

SOCIAL PRESSURES & ATTITUDES

A strong persuasive social custom or attitude has encouraged newly weds to save and work to own their own home. Home-ownership, to a certain extent, has been regarded as the norm. It shows that the parents are thinking of their family and their retirement.

Home-ownership gives a sense of security and independence. The family could not be evicted for not paying rent. Instead of having no assets after paying rent for years, payments to buy a house would finally produce an asset. But there has been a negative side, too. Failure to keep up with mortgage payments could see a forced sale. Increasing or high interest rates may take food off the table. There could be years of working for the banks or other creditors. What is not so apparent is that home-ownership tends to reduce wages.

This is due to the deceptive nature of the wages system. Capitalism has the tendency to use every possible opportunity to make more profits.

THE MAKE-UP OF WAGES

Wage earners front up to their employer to sell their capacity to work, their labour-power. Like other commodities that are sold in the market place, the value of labour power is determined by the costs of production or in Marxist terms, the value of the means of subsist-

ence. These include food, clothing, shelter, transport and the various necessities of life, needed to rear and educate a new generation of wage earners.

When the values of the means of subsistence increase, wage earners and their trade union negotiators have good cause to claim an increase in wages. On the other hand, when the values of the means of subsistence decline, the value of labour power declines, also. Real wage levels will tend to follow this decline.

For example, the reduced prices on a wide range of household necessities prevailing in 'The Warehouse' have reduced the values of the means of subsistence. This decline in values has impacted on wage levels. The connection between the expansion of 'The Warehouse' and the existing low wage levels cannot be ignored. From the standpoint of the big corporate employers outside of the retailing sector, 'The Warehouse', has outdone Santa Claus, showering these corporate employers with record profits, caused by 'The Warehouse's reduced prices on a wide range of 'the necessities of life'.

TENDENCY OF HOME-OWNERSHIP TO REDUCE WAGE LEVELS.

Historically, wage earners sought home-ownership as a means of security from eviction and an alternative to the workhouse in old age. Building Societies were formed to assist members into home-ownership. Over time, the capitalist class adapted itself to the housing needs of its workers. To avoid tying up its own capital in the provision of housing for workers, the capitalist class realised that

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either Government housing departments or bank and finance companies could provided the necessary finance.

The home building and associated home furnishing sector became a significant part of the economy.

What has been less obvious has been the tendency of home-ownership to reduce or slow increases in wage levels. As an example, take a district, where home-ownership is the rule. In this district, the cost of housing is not included in the cost of production of labour power. The value of labour power is diminished, which is reflected in lower wage rates. Lower wages mean increased profits for the factory owner.

SAVINGS TRANSFERRED TO CAPITALIST OWNER

When the values represented by housing costs are no longer included in the value of labour power, (and its money expression = wages) they are transferred to the capitalist employer. During the working week, when less values are needed to be the equivalent of wages, these values are added to/increase the surplus values - the source of capitalist profits. Due to home-ownership, the values produced by the worker are redistributed to the advantage of the capitalist class. From the total of the values produced, fewer values are needed to meet the cost of labour power, so more values are transferred to the capitalist.

IMPLICATIONS OF HOMEOWNERSHIP

There is another reason why the capitalist class encourages home-ownership. This is to undermine the capacity of workers to challenge capitalist exploitation, such as more work for less pay, casualisation, safety issues, wage demands and long hours. The capital class estimates that if they can burden workers with a mortgage, these workers will avoid confrontations such as during strike actions.

HOME LENDING AND FOREIGN FUNDED BANKS

There is a further potentially dangerous downstream impact of home lending. The steady increase in banks' lending on housing also relates to the balance of payments deficit and private sector foreign indebtedness.

The value of housing stock has risen substantially, accompanied by a very considerable growth in home lending. Where has the money come from to fund that lending? Not from household savings - because there hasn't been much of that. Instead banks have had to fund their lending from other sources, particularly from non-residents whose contribution to our economy has risen dramatically.

A major contributor to the balance of payments deficit is the investment account and the major components of that account are the servicing of debt to non-residents plus the profits of foreign-owned firms.

If foreign investors become uncomfortable with their holdings of New Zealand dollars and exit, which they will if high household spending (rather than saving) continues. Then the New Zealand economy will experience a slowdown in its ability to absorb foreign funding of the banks (and so a slowdown in housing lending).

Workers putting roofs over their heads cannot be at the behest of the foreign-owned and funded banking system.

HOUSING SHOULD BE ON AGENDA

Ideally, the capitalist class should meet the cost of housing, for it is the main beneficiary of the capitalist profit system. Without workers, their profits would be non-existent. As long as capitalism lasts, housing shortages and difficulties for

workers and their families will persist.

By taking part in campaigns for affordable housing, workers will learn about the real nature of capitalism. If these campaigns are successful in providing affordable housing - fine. When it becomes clear that capitalism cannot house the people, then there will be more people won to the cause of replacing the capitalist system with a system led by the working class majority.

Currently, the strong desire for home-ownership has to be taken into account. The quality of life of too many working people and their families is at unacceptably low levels, due to the lack of affordable housing. A whole range of statistics point to the destructive affects of the housing shortage and overcrowding on families, their health, especially the health of children and the elderly. Overcrowding impacts on education, too.

State house construction should be sharply increased to provide rental housing. The Housing Corporation should provide deposits and loans at 3 per cent interest rates to low to medium income earners for home-ownership. A housing tax of 0.5 per cent to be levied on company income in excess of \$2 million. Pensioner housing needs to be met. A National Housing survey should be undertaken. Maori and Pacific Island communities should be consulted with the aim of involving their participation. Trade union representatives should have a consultative and auditing role, concerning design, allocation and financing of state housing. State forestry and saw milling enterprises should operate to ensure supplies and to counter profiteering.

Affordable housing and home-ownership requires a collective community effort.

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Tax Cuts Favour the Rich

As expected, in the absence of a mass movement to impose its programme on the country, the Labour-led government has now embraced the National Party's anti-people tax cuts.

Tax cuts mean that the government has squandered the opportunity to invest strategically in the country's future by spending on infrastructure and services, to strengthen the coherence of New Zealand society and the economy. However the suggestion that this should be achieved at the expense of any tax cuts is wrong. It still assumes that ordinary working people pay. The question is who should pay? Those who are struggling deserve some relief. Those at the top end, who are doing extremely well, should be expected to shoulder the burden of paying for New Zealand's needs.

Taxation is not only about quantity. What the money is put into is also important. Research consistently shows that most people believe that if what they get in return provides a better life, they don't mind paying some more. However, in conditions where government services are being continually cut back, the feeling is that taxes are too high.

A decent society depends on the provision of, for example, decent education and health services. Health and education are also important for a healthy economy.

There is a proposal to reduce company tax to 30 percent. This together with a range of other handouts shows that the Clark regime is a government for big business. And it goes further. Foreign owned corporations get the best deal.

Usually, the business sector bangs on about the need to cut the top personal tax rate. But some - particularly those from the Business Round Table - also demand a cut to below the 30 percent company tax rate being proposed.

The current level of thirty-three per cent actually compares well: the United States tax rate is 40% (35% federal plus 5% state), Britain at 30% and Japan at 42%.

The next thing to understand about company tax is that, although it applies equally to locally owned and foreign-owned companies, it ends up treating New Zealand shareholders and foreign shareholders quite differently.

This is because of the imputation system, whereby New Zealand shareholders are given a tax credit for all the company tax paid on their share of company profits. The effect of the tax credit is that, though New Zealand shareholders are taxed on their company dividends at the shareholder's marginal income-tax rate, those dividends haven't really been taxed already as company profits.

Foreigners are the only people you'd expect to gain from a cut in the company tax rate. Why would we ever want to cut the tax paid by them? How would that leave us better off?

About 60% of our foreign investment comes from countries whose company tax rate is at least as high as ours, and that give their own companies with investments in New Zealand a credit for the New Zealand tax they've paid, before charging them company tax at the local American, British or Japanese rate.

Get it? If we cut the tax we charged these foreigners, their own governments would cut the foreign tax credits they were entitled to and thereby increase the tax they had to pay to their own governments.

So we'd simply be transferring money from our Treasury to their treasury without leaving the foreign investors any better off.

This does not take into account that the US, British and Japanese states are a tool of the corporations dominating these countries. They may pay some more tax there, but this is handed back in many direct and indirect ways. So in reality, with the imperialist economic system, foreign corporations are left better off. This is why they are pushing for it.

In any case, ongoing cuts in company taxes have deprived New Zealand of resources that could be put to helping people's lives here.

Tax cuts for the very wealthy tend to have the effect that they divert consumer expenditure and finance a life of luxury for a few. This does not develop the economy. Company taxes should be raised.

In this way much more could be spent on economic infrastructure that would allow a better quality of life for New Zealanders people in terms of improving health, education and transport services. Investment

could be made on cleaner energy sources, an important consideration for future economic development. More could be spent on providing up to date support for the expansion of New Zealand manufacturing.

The opportunity to do this has been wasted this time around.

It is up to working New Zealanders to make the difference and amongst other measures, impose a tax system that will redistribute the wealth that has been created by their labour to where it's really needed.

The tax giveaways also show a neglect of action to assist New Zealand's wobbly manufacturing sector. This is the heart of any economy. A sick manufacturing sector means a sick economy.

Major existing hurdles are the high price of raw materials and fuel. It would have been much better to reduce tax on petrol diesel and oil. Manufacturing would have benefited, so would farmers and the general public.

A longer-term hurdle has been the neglect of needed infrastructure. Serious investment is needed here. All forms of transport need to be upgraded and energy sources need to be developed for instance. Other areas could be cited.

Much more needs to be invested into research and development. Universities and the Crown Research Institutes, the main arms of research in this country have been largely nobbled. In an age where knowledge and technology change rapidly, this neglect is a crime.

Developing New Zealand's capability is important for achieving greater independence. It would mean less reliance on dated handouts from the big multinational players and more New Zealand control over the New Zealand economy. This goes hand in hand with more investment in skills training. In both areas the present outlay is pathetic.

Even within the limits of existing capitalist relationships these measures would create more decent jobs and lead to the production of more wealth. In a society where the people are in control of the economy and able to use it for their own collective benefit, even more could be achieved.

Which Way Forward to Liberation?

Imperialists look to Africa for new plunder

By Eugene Puryear, Originally published in *Socialism and Liberation magazine*

An article in the June 2006 issue of *Monthly Review* sheds light on the increasing attention U.S. policymakers are paying to Africa. "A Warning to Africa: The New U.S. Imperial Grand Strategy," by sociology professor and *Monthly Review* editor John Bellamy Foster, puts the new focus on Africa in the context of the inherent drive of imperialist powers to divide and re-divide the world's markets and resources.

"The U.S. military is now truly global in its operations, with permanent bases on every continent, including Africa, where a new scramble for control is taking place focused on oil," Bellamy writes.

The article documents the growing U.S. military presence in Africa, with a major military base in Djibouti in the eastern Horn of Africa and forward-operating bases in five other countries. In western and northern Africa, the Flintlock 2005 exercise involved 1,000 U.S. elite Special Forces troops.

Bellamy cites the fact that "the U.S. military's Europe Command [which oversees the Pentagon's Africa operations—Ed.] now devotes 70 percent of its time to African affairs, up from almost nothing as recently as 2003."

What is at stake in this growing U.S. military presence, according to the article, is the increased exploitation of Africa's huge oil reserves. Bellamy cites projections that up to 25 percent of U.S. oil imports will be from the Gulf of Guinea in western Africa by the year 2015. He quotes Richard Haass, a chief spokesperson and Middle East policymaker for the Bush I regime during the first Gulf War and now president of the think tank Council on Foreign Relations: "By the end of the decade, sub-Saharan Africa is likely to be as important a source of U.S. energy imports as the Middle East."

Who will control access to Africa's vast energy supply is part of what Bellamy calls the "new scramble for Africa." The expanded U.S. military and corporate presence is directed against competing European imperialist powers, although he notes "militarily, they are working closely with the United States to secure Western imperial control of the region."

The real worry for U.S. strategists, Bellamy argues, is China. China's economy is the fastest growing in the world, and it is cultivating extensive economic ties throughout the continent. He quotes the 2005 Council on Foreign Relations report, "More than Humanitarianism: A Strategic U.S. Approach Toward Africa": "The United States and Europe can no longer consider Africa their *chass gardé* [private hunting ground]."

Bellamy puts the new U.S. drive into Africa within the context of the inherent imperialist drive for markets and resources. He points out, as Russian revolutionary



Jomo Kenyatta, first president of independent Kenya.

Photo: Keystone/Getty Images

leader V.I. Lenin noted in 1916, that this capitalist drive for profit leads inevitably toward war.

What Bellamy does not consider in his article is how this new context impacts the African anti-imperialist struggle for liberation.

CHINA'S SOLIDARITY WITH ZIMBABWE

Zimbabwe, in southern Africa, has been under severe U.S. and European economic pressure for the past decade. Zimbabwe's president, Robert Mugabe, who has led the country since liberation from white racist rule in 1980, has been vilified as a tyrant.

What are the crimes of Mugabe and the Zimbabwe African National Union—Pa-

triotic Front government he leads? The government has been moving steadily toward redistributing land to the Black peasants, seizing it from the white land-owning elite.

The imperialist powers, led by the United States and Zimbabwe's former colonial power Britain, have responded by economically isolating Zimbabwe. Loans from Western banks have dried up. This has generated real hardships for Zimbabwe's 12 million people.

It would be difficult for any government, even one with such deep roots in the country's liberation struggle, to withstand the pressure. They have done so largely with the aid of China.

"Skepticism Pervades China Trade Finance Deals with Zimbabwe," read a headline in the June 28 *Financial Times*. The article discusses China's announcement of a \$1.3 billion investment in Zimbabwe.

It reports "in 1998, China ranked only 11th in Harare's roll call of importers. Now it accounts for 6 percent of Zimbabwe's imports," making China the country's second-largest supplier of imported goods.

"We have participated in economic cooperation with Africa on the principles of equality and mutual benefit," Chinese foreign ministry spokesperson Jiang Yu told the *Times*. "We are trying to expand imports of goods from Africa."

That is no small pledge. Imperialist trade relations with African countries have been characterized by extracting raw materials like oil and minerals, then forcing them to buy back refined goods at elevated prices.

It is not just Zimbabwe that is benefiting from Chinese aid and cooperation. Sudan, Angola and the Congo are also building stronger partnerships with China.

INDEPENDENT DEVELOPMENT FOR AFRICA

Almost the entire African continent was colonized by and controlled by European imperialist powers until the end of World War II. It was a brutal legacy that came on top of the genocidal slave trade of the prior centuries.

But with the vast expansion of the socialist camp in Europe and the Chinese and

Korean revolutions in Asia, the clamor for independence in Africa grew louder and louder. Leaders like Kwame Nkrumah in Ghana, Sekou Toure in Guinea and Jomo Kenyatta in Kenya were at the head of strong national liberation movements.

By the mid-1950s, many African countries achieved political independence from their former colonial masters. After the 1959 Cuban revolution, one African nation after another won their independence.

The question for African revolutionaries then was how to overcome the past colonial oppression and develop their countries free of colonial or imperial intervention. For the centuries that capitalism had underdeveloped Africa, the colonies were denied the best and newest technologies. When technology was present, it was in the hands of whites from the oppressor countries who knew how to control it. Native industry was ignored in favor of intensive mining and farming.

In short, Africa did not experience the same bourgeois capitalist development that the imperialist world experienced. Africa's economic growth was prematurely stunted by colonial occupation.

So the first question facing the new African nations and liberation movements was how best to economically develop. U.S., British and French imperialism aimed to keep African nations in bondage. They aimed to turn these nations into de facto colonies.

The great majority of African freedom fighters recognized this trend. They understood that it was capitalism that had kept them underdeveloped in the first place. Many of the nations set out to develop their economies using socialist principles of state intervention and economic planning.

The newly liberated countries could count on the support of the socialist

camp—the Soviet Union and the Eastern European socialist countries—for both material aid and technical support. That included sending tractors and helping to build factories and generators. Thousands of Africans studied at universities in the socialist countries free of charge.



U.S. soldiers train in the Pentagon's largest African base in Djibouti, January 2003.

The socialist countries also provided critical military support for countries and movements that were under constant attack by U.S.-backed counterrevolutionaries and mercenaries.

The collapse of the socialist camp had a severe impact on the independent African countries. It set the stage for the latest round of imperialist penetration of the continent.

The only recourse for most was to rely on loans from the International Monetary Fund and the World Bank—loans that forced huge sums to be devoted to in-

terest payments instead of addressing the poverty that millions of African face.

NEW BASIS FOR UNITY

The role China is playing does not signal any type of return to a revolutionary foreign policy on the part of the Chinese government. But it has given African nations breathing space. Loans and investment from China make it much easier to resist the forced restructuring of the economy and social safety net that is always a prerequisite to IMF and World Bank loans.

Despite the unfavorable world situation, the legacy of Nkrumah, Toure and Kenyatta continues to inspire millions who aspire to African unity and development on the basis of people's needs.

Notably, organizers of an African Union summit in late June gave a prominent place to Venezuelan president Hugo Chávez. Venezuela's Bolivarian revolution is facing many of the same challenges that the African continent is facing today. Its growing partnership with Bolivia and socialist Cuba is viewed around the world as an example of unity based on anti-imperialist solidarity.

On July 1, Chávez said, "Africa has everything to become a pole of world power in the 21st century. ... Latin America and the Caribbean are equipped to become another pole.

"We should march together, Africa and Latin America, brother continents with the same roots," Chávez noted. "Only together can we change the direction of the world."

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contribute to Struggle?**

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Lebanese Unity Behind Victory

By Sara Flounders for Workers World.

In every conflict, morale is a material factor. Often it is the decisive factor.

Now that a cease-fire has gone into effect—on Aug. 14—after Israel's brutal 30-day bombing and invasion of Lebanon, it is clear that Lebanon has emerged more united than at any time in its history. Hezbollah has a new standing and wide popularity all over the country.

The entire war, in which Israel had full U.S. support, was based on arrogant assumptions of technological superiority and a political miscalculation that the bombing of whole towns, reservoirs, fuel storage depots, roads, ports, bridges and hospitals would divide the Lebanese people and force Hezbollah to disarm.

Instead, the ruthless attack united the population as nothing else has in Lebanon's long history. It is Israel that has emerged divided, consumed by infighting and purges, with its reputation as an invincible military machine shattered before the whole world.

The U.S. and Israel wanted to teach the Lebanese people a lesson through "shock and awe." The people organized, mobilized and learned through their own experience a very different lesson.

The struggle is far from over.

CEASE-FIRE RESOLUTION

The most important point to know regarding the UN Security Council cease-fire resolution on Lebanon is that Israel has never abided by any UN resolutions or been restrained by UN forces stationed for 58 years along its borders.

Just hours before the cease-fire was to go into effect, Israel used more than 50 helicopters to ferry hundreds of commandos into Lebanon in the largest Israeli military operation since the October 1973 war. Lt. Gen. Dan Halutz, Israel's military chief of staff, had already said on Aug. 12 that he had tripled the number of his troops in Lebanon to 30,000. (New York Times, Aug. 13) Halutz said he expected the fighting to continue despite

the cease-fire resolution.

The heaviest attack on Beirut since the war began came on the last day. Israeli bombers struck repeatedly at the working class Haret Hreik neighborhood in south Beirut. A hospital in Tyre was bombed repeatedly and fire brigades were unable to reach it. They struck in the Bekaa Valley and hit a power plant near Sidon.

A convoy of 500 vehicles of fleeing Christian Lebanese civilians, led by soldiers of the Lebanese army who had announced their plans to the Israeli forces, were targeted north of Merj' Uyun.

After signing the UN cease-fire resolution, Maj. Gen. Benny Gantz, head of the ground forces branch of the Israeli army, told reporters that the cease fire was not a cessation of Israeli army activity in the Lebanon arena. According to an Aug. 13 Reuters news report, Israeli officials said operations that were "defensive" in nature were permissible. Of course, Israel asserts that all its military actions are defensive.

U.S. and other Western diplomats asserted that they would not object to "mopping up" operations to "clear out" Hezbollah fighters.

SETBACKS BREED DIVISIONS IN ISRAEL

Israeli political, military and intelligence forces are in the midst of a deadly struggle to apportion blame for their fiasco in Lebanon. Although this war was more highly planned than any other offensive in Israel's history, the military was completely unprepared and untrained for what it encountered.

Israeli miscalculation, like the U.S. underestimation of the Iraqi resistance, was based on imperial arrogance. The Israeli military had functioned as a colonial police force for years against an unarmed Palestinian population in the West Bank and Gaza.

The Israeli onslaught was intended to divide Lebanon and reignite civil war. The failure of U.S./Israeli plans is pulling

Israel apart politically. The media there is full of attacks on military leaders and politicians, demands for wholesale resignations, inquiries, investigations and charges. A vicious debate on failures in training, preparations, analysis and intelligence has emerged. The attacks and counter attacks are the best indication that the war has not gone well.

The military had promised that the entire war could be accomplished in a week or two, largely with air power.

In Israel's largest newspaper, Yediot Aharonot, columnist Nahun Barnea wrote: "We did not win. ... Israel comes to the cease-fire announcement bruised, conflicted and disturbed."

Channel 2 of Israeli television reported on Aug. 11 that several of the most senior military officials wrote a letter to chief of staff Halutz complaining that "the war plans were in chaos."

An article by Uri Avnery, a journalist and writer with the liberal Zionist peace group Gush Shalom, has been circulating widely on the group's Internet site. Entitled "What the hell has happened to the army?" it says Israeli officers were completely unaware of the defense system built by Hezbollah—the complex infrastructure of hidden bunkers with stockpiles of food, equipment and weapons.

Avnery makes the point, "If a lightweight boxer is fighting a heavyweight champion and is still standing in the 12th round, the victory is his—whatever the count of points says."

In summing up the reason for Israel's failure, Avnery makes the point that "the common denominator of all the failures is the disdain for Arabs, a contempt that has dire consequences. It has caused a total misunderstanding; a kind of blindness of Hezbollah's motives, attitudes, standing in Lebanese society, etc. ... Even a strong army cannot defeat a guerrilla organization, because the guerrilla is a political phenomenon."

The strongest attacks within Israel are coming from right-wing politicians like

Benjamin Netanyahu of the Likud Party and the far-right forces of Avigdor Lieberman. They are pushing for a wider war and no removal of the thousands of illegal Israeli settlements in the West Bank.

All the Zionist forces—the hardcore right-wing, the centrists and the liberals—fear that the real damage from the war is that it has endangered their strategic relationship with U.S. imperialism as its attack dog in the region. This is the source of millions of dollars in U.S. military, economic and technical aid, investments and credits that flood into Israel on a daily basis and sustain an artificial economy.

Almost every article and attack in the Israeli media points out that the Israeli military was given time, support, equipment and diplomatic coverage to destroy Hezbollah and failed in its assignment. Itamar Rabinovich, a former ambassador to Washington, said, “Part of the reckoning will be our reputation as a strategic partner, when we tell the Americans, ‘Give us the tools and we’ll do the job.’”

LLAMAS IN LEBANON

The Israeli media has been full of stories of bad planning, shortages and soldiers’ complaints of lack of food, water and equipment. Exhausted soldiers had to be rotated out every three days because the scale of Hezbollah attacks made it impossible to erect barracks, showers, field kitchens or command centers.

According to the Aug. 12 Washington Post, the Israeli military “was having so much trouble moving supplies over the rough terrain that it experimented with using llamas as pack animals. The experiment failed when an entire train of llamas sat down on the job, forcing the military to abort an expedition.”

The 60-ton Merkava tank is considered the world’s most advanced and the most able to provide protection for ground troops. It is the pride of the Israeli army. With deadly efficiency, Hezbollah fighters destroyed more than 20 tanks with anti-tank weapons. They also downed an Israeli air force helicopter with a new missile called the Wa’ad—Arabic for “promise.” And early on they destroyed one of Israel’s most important high-tech ships. Hezbollah claims to have hit three Israeli ships.

One of the few journalists permitted to accompany Israeli forces into Lebanon was Nahum Barnea, a leading Israeli political commentator. He reported in embarrassing detail the misfortunes of the unit he accompanied and made an anal-

ogy that will be recognized worldwide. “The battle between the IDF and Hezbollah is reminiscent of the famous Tom and Jerry cartoons. ... Tom is a strong ambitious cat. Jerry is a weak but clever mouse. Jerry teases Tom. Tom fights back. In every conflict between them, Jerry wins.”

Barnea’s advice to Prime Minister Olmert is: “There is no sense in investing in a lost cause. Adding more ground forces to those already stuck in Lebanon will not bring about the hoped-for turnaround in the Lebanese gamble. With American support, Israel still has a chance of getting out of this war with decent accomplishments. Take what they are offering you, Ehud Olmert. Take it and run.”

REBUILDING LEBANON

One day after the cease-fire began, Hez-

zbollah’s social networks provided needed services, especially to Lebanon’s poor Shia population, that the weak, divided government could not fulfill. Before the Israeli attack, Hezbollah already ran a whole series of hospitals, clinics, schools and social centers.

When the Israeli bombing began, Hezbollah social services responded when the government could not. They provided the ambulances and the scores of searchers who pulled people from the rubble. They helped organize the placing of tens of thousands of refugees in schools, public parks and private homes. (Christian Science Monitor, Aug. 16)

In Beirut alone, Hezbollah organized 10 mobile medical teams that cared for 14 schools each, in two-day rotations.



zbollah’s extensive social services system shifted from a war footing to the huge task of rebuilding. The leader of Hezbollah, Sheik Hassan Nasrallah, promised that “the brothers, who are your brothers,” will take on the reconstruction.

The instructions to the whole population are clear. Each family should fill out a claim form listing address, size of house, scale of damage and furniture lost. Immediate payments will be distributed. Nasrallah promised to pay a year’s rent for those with destroyed homes, saying Aug. 14 that “we can’t wait for the government.”

Hezbollah’s immediate promise to aid in the rebuilding—along with widespread confidence that the resistance won a victory over Israel—is shaping a determined and united mood across Lebanon.

This aid helped 48,000 people; another 70,000 were treated in houses by other professionals.

In a Hezbollah kitchen near downtown Beirut, volunteers worked shifts over vats of rice and stew to provide 8,000 hot meals a day—part of a 50,000 daily total they distributed across Beirut.

It is this mobilization of the whole population that made it possible for those fighting at the front to have the will and the means to successfully resist an all-out attack that both Israel and the U.S. had thought would be irresistible.

Interest Rates: A Marxist View

Broadly speaking, the interest rate measures the exchange value of money. This is primarily determined by the existing supply and demand conditions in the market. The higher the supply relative to demand, the lower the interest rate and vice versa.

Politicians might grandstand about how they are in control. But their actions are secondary.

In a commodity economy, money is ultimately used for either production or consumption.

Most important though, is what occurs in the process of production. Investors use money to buy inputs in order to produce a commodity and then exchange it in the market for money.

Karl Marx explained these transformations with the expression M-C-M. Money is transformed into a commodity, and the commodity transformed in the marketplace back into money, incorporating an additional sum on the original outlay. When the movements of these processes in the economy as a whole alter, there is an effect on the interest rate.

In these processes, money takes the form of capital, which breaks down into two parts - productive capital (we will include in this capital for the purchase of raw materials and semi-finished commodities) and circulating capital.

The proportion of one relative to the other being used in an economy is important.

In times of expanding production there is a shift towards productive capital, and during a time of contraction a shift towards circulating capital. All other things remaining the same, a relative rise in productive capital will lead to a rise in the interest rate. A rise in circulating capital will lead to its lowering.

A rising interest rate lowers the rate of surplus value. There are a number of reasons for this. The value of la-

bour power will rise because the cost of maintaining the working class and producing the next generation of workers will rise. This means that wages will go up and squeeze the proportion of the proceeds going into the hands of the capitalists, unless of course, measures to reverse this are not applied.

Rising prices for raw materials increase the cost of constant capital. This affects the rate of surplus value as well.

This can be shown mathematically.

$$\begin{aligned} \text{Surplus} &= S \\ \text{Constant Capital} + \text{Variable Capital} &= C+V \end{aligned}$$

Rising prices of raw materials raise C and higher wages raise V.

For example, if we have;

$$\begin{aligned} 8 &= 1 \\ 4 + 4 \end{aligned}$$

Assume a rise in the costs of raw materials and wages.

$$\begin{aligned} 8 &= 0.8 \\ 5 + 5 \\ \text{Surplus Value has declined} \end{aligned}$$

A third factor is foreign trade. This enters the picture through its effect on raw materials and semi-finished commodities. So a change in the trade relationship with another country can also have an effect on the interest rate.

The importance is that with a fall in the rate of surplus value, capitalists have the incentive to cut back on the application of productive capital, unless they can find means to employ this capital more efficiently, through either a combination of applying constant capital to a larger pool of variable capital or exploiting labour more intensely.

The measure to which this is impossible is roughly the measure by which the demand for productive capital will fall.

Applying a given quantity of constant

capital to a larger volume of variable capital means expansion in output through larger scale production. In the economy as a whole, it means bringing existing separate capitals together into an integrated single process, through the further concentration of ownership.

Increased monopoly lowers the cost of constant capital expended on a commodity. This in turn, will add to the volume of profit. But if there is a fall in the volume of productive capital overall, this will lead to an increase in the volume of circulating capital.

A rise in the volume of circulating capital in excess of the rise in the value of output will cause a fall in the interest rate. Here we see a direct link between the process of production and the operation of circulation. The smooth transformation M - C - M is interrupted. Interest rates go down.

This is the point where government policy can have an influence. By expanding the circulation of government bonds, raising the statutory reserves imposed on banks or raising lending rates by decree, a portion of the circulating capital can be soaked up, or indeed released by reverse action. Injecting or removing circulating capital from the market has an impact on demand/supply conditions.

Another important factor to consider is the speed of circulation of capital.

The quicker the turnover, the greater the volume of effective capital existing in the economy. The expansion of credit is important in this respect. Where there is already an excess of circulating capital relative to the volume of commodities in the economy, the expansion of credit will further pull down the rate of interest.

Imbalances between productive and circulating capital and between capital and commodities produced will have a greater or lesser effect depending on which part of the economy they are mostly concentrated.

If it occurs in that part connected to the production of the necessities of life, that is the production of the means to sustain the working class and produce the next generation of workers, it will have the greatest impact. If it concerns the production of means of production, it will have less, and with the production of luxuries, much less.

Expanding on this: If the intensification of the exploitation of labour is such that at least a large section of the working class is compelled to consume less, it leads to overproduction of the means of subsistence, and in the context of this discussion, because the volume of circulating capital does not remain level with it, the demand for money and therefore the interest rate will go down.

Similarly, if there is a decline in the volume of productive capital employed in this part of the economy, a larger portion will be transformed into circulating capital in excess of what is required by the existing level of production. This will lower the interest rate as well.

There is a great deal of evidence to suggest that the effects referred to here have been operating in the New

Zealand economy for some time. Regardless of short-term anomalies, the trend has been continuous.

New Zealand's real (adjusted for inflation) interest rates are already amongst the highest in the world. The proportion of the productive economy, on the whole, has declined and there has been a relative growth in the position of the banks and other financial institutions. The pace of concentration of capital has been greater than ever experienced before and credit has expanded in leaps and bounds.

Because of these factors there is unlikely to be large changes in interest rates, even if in the short term it goes up by increments. Yet given that many New Zealanders are already at the margin and a small increase in repayments threatens catastrophe for them, it is an important issue.

Those at risk can be protected by government action. Greater government involvement in the economy as a producer and consumer can partially offset negative effects of existing imbalances. Policies can be imposed on the banks that compel them to provide cheaper home loans. Policies to encourage a smaller proportion of circulating capital and greater proportion

of productive capital can be applied. As long as this is accompanied by the output of commodities of a higher level of combined value, the economy will expand in a balanced way and interest rates will not become an intolerable burden.

But there is no way of overcoming the underlying causes that produce imbalances in the first place.

These are inherent in the anarchic nature of capitalism. Only through putting an end to capitalism, can the conditions to overcome this be put in place.

For a better understanding of what is going on today and where we are heading to, a great deal of further investigation needs to be undertaken. All revolutionaries should include this amongst the tasks they set themselves.

Based on an article originally published in Vanguard, publication of the CPA (ML)

Oppose the Police Taser Trial

The taser 'stun gun' fires barbs which penetrate the skin and then administer a single or pro-longed electric shock at 50,000 volts. It can only be described as a weapon that is dangerous as its use has resulted in deaths in other countries. More than 180 people have died in taser-related deaths in North America over the past five years. Many New Zealanders have grave concerns about the proposed trial of the taser which is due to start in September.

A wide range of groups and people have joined forces to oppose the introduction of the taser. They include the Mental Health Commission; the Council of Trade Unions, nurses human rights activists, Civil Libertarians and peace activists. The organization 'Campaign Against The Taser' is led by veteran social activist John Minto.

The issue of the introduction of tasers for use by the New Zealand police is important for a number of reasons. One is the complete absence of an independent, impartial and thorough enquiry by scientific, legal and law enforcement specialists as to the use and effects of the introduction of tasers into New Zealand policing. The second is the absence of strict rules, safeguards and monitoring procedures to prevent misuse of this electric-shock equipment.

The police proposal appears to rely on information provided by the Taser Corporation itself whereas independent research shows that tasers are not safe and amount to cruel, inhuman or degrading treatment and torture. Further most people who have died in custody were unarmed and were not posing a serious threat to police officers, members of the public, or themselves; and those who died were generally subjected to repeated or prolonged shocks.

The police are not introducing tasers as a substitute for guns, but it would be used as a substitute for tact and diplomacy, batons and pepper-spray. The New Zealand public has recently witnessed the lack of restraint by police officers using pepper spray.

Overseas studies show that the primary use of tasers is not on hardened and armed criminals but on the mentally or physically disabled, the emotionally disturbed, people in vulnerable positions under the influence of drugs or alcohol, or prisoners in custody or resisting arrest. Although they were often highly agitated and stressed, they did not pose a threat of serious injury to themselves or others when they were 'tasered'.

Such is the level of public concern in the United States that a Federal level investigation is now underway into taser-related deaths there. It is irresponsible for the New Zealand police to proceed with tasers before this investigation has been completed.

It is essential that the public is fully informed about tasers, and then decides whether the arming of the police force with this potentially lethal weapon is necessary or desirable for New Zealand society.

Uneven Development: Nation and Gender

The concept of the uneven development of capitalism is central to Marxism. Capitals develop at different rates, allowing larger capitalists with a greater mass of surplus value extracted from workers to reinvest this and become bigger still. This process, called the concentration of capital, leads to disparity; the growth of some very big capitalists while others remain very small. The 100 largest TNCs, for example, hold one eighth of all foreign assets (\$2 trillion 1998), and account for ten percent of all overseas sales \$US2 trillion (UNCTAD 2000).

The faster growth of larger capitalists than smaller ones has major implications for the growth of capitalism in different countries and, within countries, for the growth of different regions and the growth of different parts of the workforce.

This emphasis on uneven development is one of the major features distinguishing Marxist economic analysis from mainstream neoclassical economics, which assumes convergence of any disparities towards harmonious equilibrium. Where neoclassicals assume competition levels out differences, Marxism argues that competition generates differences (Weeks 2001).

NATION AND CLASS

In the Manifesto of the Communist Party, Marx and Engels described the rise of capitalism, its progressive role in putting to end crude feudal domination and its replacement with the clinical efficiency of the market, 'doing away with the scattered state of the population', agglomerating and centralising property and political power.

Independent, or but loosely connected

provinces, with separate interests, laws, governments and systems of taxation, became lumped together into one nation, with one government, one code of laws, one national class-interest, one frontier and one customs-tariff (Marx & Engels 1848, p. 36)

The principal bourgeois revolutions of modern Europe were the English (1649), French (1789), German (1848), Russian (1905, Feb 1917). In the first two the bourgeoisie seized power from the feudalists, but subsequently came to terms with them. In 1848 and 1905 it did not seize power but received certain concessions. In February 1917 it did seize power but was overthrown nine months later by the proletariat (Thomson 1971).

The working class, by contrast, is international. 'Workers of the World Unite. We have nothing to lose but our chains'.

But the contrast is not so simple. The development of the proletariat is as uneven as its midwife, capitalism itself.

Marx & Engels concluded in the Manifesto: 'The proletariat of each country must, of course, first of all settle matters with its own bourgeoisie.' (Marx & Engels 1848, p. 45).

The Communists are further reproached with desiring to abolish countries and nationality. The working men have no country. We cannot take from them what they have not got. Since the proletariat must first of all acquire political supremacy, must rise to be the leading class of the nation,^[47] must constitute itself the nation, it is, so far, itself national, though not in the bourgeois sense of the word. (Marx & Engels 1848, p. 55-56).

It is by means of the victory of the proletariat in each country that the antagonism between nations will be overcome because socialism abolishes the need for competition.

The working class is constantly drawn into the political struggles of the capitalist class for its own national victory^[1] The hesitancy of the bourgeoisie in carrying their revolutions arises from its dual character – progressive and reactionary. Each of the bourgeois revolutions was marked by an increasing part played by the proletariat. In 1848 and 1905 the proletariat was so active that the capitalists took flight and capitulated to the feudalists. (Thomson 1971)

In 1905, arguing against the middle class socialists who disdained the idea of participating in a bourgeois revolution, Lenin wrote:

To the proletariat the struggle for political liberty and a democratic republic in a bourgeois society is only one of the necessary stages in the struggle for the social revolution that will overthrow the bourgeois system. Strictly differentiating between stages that are essentially different, soberly examining the conditions under which they manifest themselves does not at all mean indefinitely postponing one's ultimate aim or slowing down one's progress in advance. On the contrary, it is for the purpose of accelerating the advance and achieving the ultimate aim as quickly and securely as possible that it is necessary to understand the relation of classes in modern society. (LCW 8.24)

From the experience of 1905, when the Russian bourgeoisie took fright at the role of the proletariat and capitulated to the feudalists, Lenin concluded that

the bourgeois revolution could not succeed in Russia so long as it was under the leadership of the bourgeoisie. The specific character of Russia meant that the proletariat had to pursue the bourgeois-democratic revolution by leading it and carrying with it the peasantry in the struggle against the feudal autocracy and the treacherous liberal bourgeoisie. This bourgeois democratic revolution led by the proletariat and peasantry would oust the feudal autocracy and thus pave the way for the victory of the socialist revolution by the proletariat and the poor peasantry (LCW 12.490, 15.56).

COLONIALISM AND IMPERIALISM

In terms of the international development of capitalism, Marx argues that capitalists are driven to expand markets overseas by the simple pressure of competition for any advantage as well as the need to find outlets for surplus production (Marx & Engels 1848; Marx 1885, 1894; Kautsky 1884; Luxemburg 1916).

With growing capitalist accumulation there is a tendency not just for commodities, but also capital itself to be exported. As Lenin emphasised in his booklet *Imperialism*, as capital accumulates, it becomes centralised and concentrated into monopolies. This tends to limit investment as monopoly capital seeks profits by raising prices rather than production. Capitalism thus seeks investment opportunities in the export of capital (Hobson 1902; Hilferding 1910; Lenin 1916; Sweezy 1942; Baran 1957; Baran & Sweezy 1966).

In addition, the growth of banking further encourages the centralisation of capital and overseas expansion as banks centralise otherwise dispersed funds into a reserve available for productive investment. The concentration of banking into monopolies gives them an interest in lending to large, secure, highly concentrated industrial firms, this interrelationship coalescing as 'finance capital' (Hilferding 1910, Lenin 1916).

The development of finance capital encourages direct foreign investment, as in the case of Germany and the United States, in place of foreign portfolio investment in lending and share purchase, the form of capital export characteristic of Britain and France (Hilferding 1910). Advanced capitalist countries are the main source of low cost loans and developing countries the sources of low wages and rents. The expansion of capitalism is a contradictory process, involving both internationalisation and nationalism; to compete internationally, firms

need secure domestic bases (Bukharin 1917: 80; see also Marx & Engels 1848; Marx 1853).

In terms of the 'host' country, the export of capital plays a contradictory role, both integrating the host economy with the international economy as well as reinforcing its separation. Marx and Engels argue that, on the one hand, the capitalist class,

'compels all nations, on pain of extinction, to adopt the bourgeois mode of production; it compels them to introduce what it calls civilization into their midst, i.e., to become bourgeois themselves. In one word, it creates a world after its own image' (Marx & Engels 1848: 71).

ON THE OTHER HAND:

'Just as it has made the country de-



pendent on the towns, so it has made barbarian and semi-barbarian countries dependent on the civilized ones, nations of peasants on nations of bourgeois, the East on the West' (Marx & Engels 1848: 71-2).

The Marxist tradition in this area has often been criticised as holding that capitalism accelerates the development of 'backward' areas and displaying eurocentric attitudes to colonised peoples (e.g. Frank 1967). Such criticisms arise from a one-sided reading of Marx and Engels' argument presented here and a failure to see the irony dripping off their pen when he writes of bourgeois 'civilization'.

While such an interpretation could also

be drawn from a reading of Lenin's pamphlet *Imperialism* (e.g. Brewer 1980), Lenin certainly discusses the colonies in terms of their subjugation, while in other work (1905) he displays acute awareness of the way foreign capital allied with local pre-capitalist classes to promote their own interests despite this inhibiting the development of capitalism.

Marx's analyses of British colonialism portray its contradictory impact. In Ireland the export of English capital created a situation of 'semi-feudalism'. English capitalist landowners destroyed feudal structures and created capitalist farming, but prevented the development of domestic industry by prohibiting tariffs (Marx 1870: 168-69). In India, British rule integrated the economy with the world market, but destroyed the local textile industry and kept the population in immense poverty. 'The Indians will

not reap the fruits of the new elements of society scattered among them by the British bourgeoisie till ... [they] shall have grown strong enough to throw off the English yoke altogether' (Marx 1853: 323; also Marx 1894: 451).

IMPERIALISM AND NATIONAL SELF-DETERMINATION

The national bourgeoisie originally fought for national states; control over the domestic market was a basic economic foundation for their power. However, imperialism turned the national state, with its laws and regulations, into a hindrance for the expansion of the international capital.

As in Germany in 1848 and Russia in 1905 and 1917, in China in the early

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20th century, the capitalist class was too weak to overthrow feudalism, particularly as this was allied with Western imperialists. Several attempts at bourgeois democratic revolution during 1911-27 collapsed into counter revolutionary feudal reaction.

Mao argued that only the leadership of the proletariat in alliance with the peasantry could carry through the bourgeois-democratic revolution to oust the feudal-imperialist alliance. But because it was not just directed against feudalism but also against the imperialists, it needed the support of all classes opposed to imperialism, including the national bourgeoisie. The character of this revolution, he argued was, new democratic or what we now refer to as national-democratic. The national-democratic revolution, based on this alliance of proletariat and peasantry, combined with other anti-imperialist forces has been the principal goal of the communist movement in the third world.

Against imperialism, the aim is national-self determination, the same goal as the bourgeois-democratic revolution, but in conditions of imperialism. But national democracy under proletarian leadership is an entirely different matter to bourgeois nationalism.

In most countries the national bourgeoisie plays a smaller and smaller role. When the bourgeoisie plays the national tune today, it is to promote national chauvinism, legitimising hegemonism and suppression of national minorities within their own state borders.

Today, the defenders of the nation are not the bourgeoisie but the working class and the toiling masses: in their defence of trade union rights, juridical rights and, not least, democratic rights. Today, there is even more reason to say that the struggle for national sovereignty is an integrated part of the proletarian,

socialist revolution, than it was when Lenin formulated this theses on national self-determination more than 80 years ago.

At the beginning of the twenty first century, the main contradiction in the world is between imperialism and the oppressed peoples and nations in the world. The national democratic movements in the third world are the main force in the anti-imperialist camp.

The leading imperialist powers are meddling in conflicts between states and are striving to raise ethnic and religious based struggle within existing states. They are playing on national and ethnic contradictions in a classical divide-and-rule strategy. As we are fighting for the right of nations to form their states, inclusive the rights of secession from multinational states, communists then also have to struggle to minimise the contradictions between states and nations.

We cannot leave "the national issue" to the bourgeoisie, because they are utilizing the national and ethnic contradictions for their own advantage. The national struggle is an independent and important struggle for the working class and all exploited and oppressed classes and groups. This struggle is an important presupposition for, and part of, the revolutionary struggle for socialism and communism. Socialist revolutions and development of a world wide communist system presupposes free national states, which can cooperate equally with each others, for the benefit of all, before the dismantling of the national states can begin.

RACISM AND NATIONAL OPPRESSION IN AOTEAROA

The process of uneven development of capitalism underpins the colonisation of Aotearoa and continued subjugation of Maori.

Capitalist accumulation developed in Aotearoa on the basis of high ground rents from land violently seized from the Maori and the exploitation of migrant labour from Europe, supplemented at times by Maori, Chinese and Samoans.

Once the settler capitalists (generally in association with British financiers and trading companies)[2] swindled or seized lands from the Maori, from 1840 large numbers of migrant workers were shipped over from England, Ireland, and Northern Europe to provide the labour for capitalist accumulation. These migrants and their descendents provide the bulk of the working class today.

In addition, the capitalists turned to non-European migration for supplies of cheap flexible labour in times of economic expansion. From the earliest days of settlement Maori were employed as internal migrants from their villages to work on farms as labourers and shearers, able to survive on the low wages offered because of the communal support of their hapu. Chinese were imported to work on the goldfields and railways in the late nineteenth century. Maori were drawn from rural areas to the expanding cities following World War II, and were followed by Pacific Island immigrants in the 1960s. These groups of workers have been employed in the lowest paid jobs, and the worst working and living conditions.

This division of the workforce between a core of relatively secure, higher paid, more permanently employed workers and a lower paid casual flexible periphery is a favourite technique of the capitalists. Japanese capitalists have perfected it, building a small core of highly loyal workers promised 'lifelong employment' supplemented by a large majority of casual subcontractors. Only about 40% of Toyota's workforce is core.

An equally favoured technique of the

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capitalists is to build this division on racial grounds. In the British colonies, the core workforce is invariably white and the periphery drawn from non-European nations. The limited recruitment from different nations ensures these are national minorities. In the case of Aotearoa, the indigenous people were reduced to a national minority in their own lands.

The racial division of the workforce was enforced by the state. There has been a long history of racist laws against Maori, primarily designed to maintain cheap access to Maori land and a reserve labour force. Until the 1950s laws discriminated against Chinese citizens. In the 1970s the state harassed Pacific Islanders as "over-stayers" in an attempt to export some of New Zealand's unemployment.

The capitalist recruitment and state oppression has been reinforced by the divisions they have created within the workforce. The favoured treatment of white workers gives them a stake in maintaining the division, or at least not doing anything to change it. Some workers, often encouraged by racist apologists for the capitalists, develop racist beliefs to justify their favoured position. This white chauvinism and racism is pervasive in Aotearoa. Some pakeha workers consciously ally with the exploiters and promote actions against workers of other nationalities in a similar manner to the way charge hands or supervisors will often take the bosses side.

Together, the capitalist recruitment policies, state legislation, and white chauvinism combine to systematically oppress national minorities. They are discriminated against in employment, housing, education, excluded from Pakeha society yet their own languages and cultures are suppressed. Their marginalisation from European culture makes it hard for them to defend their rights in a system based on European rules.

The long history of oppression of national minorities in Aotearoa has given rise to deep sentiments for equality and liberation, particularly among Maori. Because of the dependence of the settler capitalist class on access to the lands and resources of Aotearoa, the struggles of Maori in particular against national oppression strike at the root of the monopoly capitalist system.

Because of the settler nature of New Zealand capitalism, that it is based principally on the exploitation of surplus value from the working class but, inseparably, also on the exploitation of the resources

of the lands stolen from the Maori, the basic forces of the revolution are the working class and the Maori nation.

WOMEN'S OPPRESSION

In the Manifesto Marx and Engels railed against women's oppression under capitalism:

..... Abolition of the family! Even the most radical flare up at this infamous proposal of the Communists.

On what foundation is the present family, the bourgeois family, based? On capital, on private gain. In its completely developed form this family exists only among the bourgeoisie. But this state of things finds its complement in the practical absence of the family among the proletarians, and in public prostitution.

The bourgeois family will vanish as a matter of course when its complement vanishes, and both will vanish with the vanishing of capital.

Do you charge us with wanting to stop the exploitation of children by their parents? To this crime we plead guilty.

But, you will say, we destroy the most hallowed of relations, when we replace home education by social.

And your education! Is not that also social, and determined by the social conditions under which you educate, by the intervention, direct or indirect, of society, by means of schools, etc.? The Communists have not invented the intervention of society in education; they do but seek to alter the character of that intervention, and to rescue education from the influence of the ruling class.

The bourgeois clap-trap about the family and education, about the hallowed co-relation of parent and child, becomes all the more disgusting, the more, by the action of Modern Industry, all family ties among the proletarians are torn asunder, and their children transformed into simple articles of commerce and instruments of labour.

But you Communists would introduce community of women, screams the whole bourgeoisie in chorus.

The bourgeois sees in his wife a mere instrument of production. He hears that the instruments of production are to be exploited in common, and, naturally, can come to no other conclusion than that the lot of being common to all will likewise fall to the women.

He has not even a suspicion that the real point aimed at is to do away with the status of women as mere instruments of production.

For the rest, nothing is more ridiculous than the virtuous indignation of our bourgeois at the community of women which, they pretend, is to be openly and officially established by the Communists. The Communists have no need to introduce community of women; it has existed almost from time immemorial.

Our bourgeois, not content with having the wives and daughters of their proletarians at their disposal, not to speak of common prostitutes, take the greatest pleasure in seducing each others' wives.

Bourgeois marriage is in reality a system of wives in common and thus, at the most, what the Communists might possibly be reproached with, is that they desire to introduce, in substitution for a hypocritically concealed, an openly legalised community of women. For the rest, it is self-evident that the abolition of the present system of production must bring with it the abolition of the community of women springing from that system, i.e., of prostitution both public and private.

WOMEN'S OPPRESSION IN NEW ZEALAND

Women's oppression is built into monopoly capitalism. Women comprise 44% of the total work force, and over a third of the full time work force but receive only 80% of the income of men. Women fill many of the lowest-paid and tedious jobs in the economy. Women have reduced access to education.

Capitalism profits from the low-paid work of women and the unpaid work of women in the home. Women are exploited by capitalism as a sexual image in commercial culture. The billion dollar pornography and sex industry have reduced women to mere commodities. Women are subject to appalling violence - within domestic relationships, through a daily bombardment of denigration in the media and in social situations, to rape and incest.

The capitalist class has long attempted to preserve the low wage position of women. The state has a long history of systematically controlling women's reproductive, democratic and employment rights. Integral to this systematic oppression is male supremacist ideology, stemming from the unequal situation of men and women. This pervasive ideology leads many men to subjugate women

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in work, social and domestic situations, through the practice of an intimidatory, harassing, degrading and violent culture. Some men consciously ally with the exploiters to maintain the subordinated position of women. But, again in the final analysis, the vast majority of working people, both women and men, have no stake in women's oppression.

[1] The bourgeoisie finds itself involved in a constant battle. At first with the aristocracy; later on, with those portions of the bourgeoisie itself, whose interests have become antagonistic to the progress of industry; at all times, with the bourgeoisie of foreign countries. In all these



battles it sees itself compelled to appeal to the proletariat, to ask for its help, and thus, to drag it into the political arena. The bourgeoisie itself, therefore, supplies the proletariat with its own elements of political and general education,[39] in other words, it furnishes the proletariat with weapons for fighting the bourgeoisie. (Marx & Engels 1848, p. 43).

[2] Local settler capitalists accumulated capital in alliance with British banking capital, which invested in mechanised processing, infrastructure development, and a transport network tied to delivering New Zealand agricultural produce to the British market. While the settler capitalists were dependent on British capitalism, autonomous capitalist accumulation was possible, and a growing proportion of the economy fell into settler capitalist hands.

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

The characteristics of this dependency

are:

The reliance of big domestic manufacturing capitalists on foreign loan capital and technology, minority foreign shareholdings and inter-linking directorships.

The dependence of the big farming capitalists and other primary producers on foreign markets, finance, insurance and shipping.

The weakness of basic industries meant that any exports were import-dependent. An increase in predominantly primary product exports, requires increased imports of manufactured goods such as fertiliser and machinery.

New Zealand capitalists face constant balance of payments problems. With export earnings being outstripped by import payments and payments to foreign

capital for loans and investments, there is continual demand for other currencies. This weakens demand for NZ dollars and thus adds pressure for ongoing currency devaluations, overseas borrowing or further foreign investment.

The liberalisation of the New Zealand economy dramatically strengthened the position of foreign capital, initially foreign financial and services capital, and later US finance capital. Big domestic financial and retailing capital was eliminated and manufacturing capital severely weakened. Foreign investment has increased rapidly, from \$725 million in 1989 to a peak of \$4.7 billion in 1994. This has since fallen back to \$2 billion in 1997 but the total has risen to \$51 billion and New Zealand capitalists now pay out \$7.3 billion a year in profit repatriation and debt repayments to the foreign owners of these investments. This is the major contributor to New Zealand's balance of payments deficit of 7.7% of GDP, reinforcing the local capitalists' dependence on US imperialism. Foreign investment accounted for one third of all capital formation at its peak in 1994, but even at 11% in 1997 this is concentrated in the strategic commanding heights of the economy. While NZ monopoly capitalist class was arguably still predominantly domestic in 1994, by 1996 foreign capital commanded the majority of the leading firms and accounted for most capital investment.

The Interests Behind Attack on Lebanon

From A World to Win News Service

Israel's attack on Lebanon has caused horrendous death and destruction. The future may hold even worse. Israel has staged two major invasions and countless incursions into its northern neighbour before. But this time the war is taking place within the context of and in the service of something new and even more terrifying. There is every reason to fear that it is part of a US campaign to prepare for a broader and even more murderous war.

While millions around the world watched the television footage of mounting civilian casualties in horror – the UN's Jan Egeland says that a third of the dead are children – the US openly defied any notion of human decency. It went so far as to brazenly block the UN from calling for a ceasefire. George Bush's Secretary of State Condoleezza Rice justified this by dividing the globe into those who want this war, on the one side, and on the other the "snakes", "terrorists", "sub-human" Middle Easterners, wishy-washy Europeans and worse who oppose it. Rice unashamedly declared that the war must continue until Israel has achieved its objectives – that peace would only help "the terrorists" by allowing them to escape Israel's wrath and to rearm. As the US conducted a "diplomacy" dedicated to shutting up the clamour for peace, in the military realm it rushed through a shipment of more hi-tech, high-explosive bombs for Israel. What kind of world has this become when "Save the children!" is a pro-"terrorist" position and killing children is considered acceptable if they are the offspring of "snakes", and thus potential "snakes" themselves?

The Bush regime declares that we are witnessing the widening ripples of September 11, 2001. This is the truth – turned upside down. The events surrounding Israel's attack on Lebanon have little to do with the World Trade Center attack, that continuing pretext for a phoney "war on terrorism". Instead, they are truly reflective of "the post-9/11 world" in another way: they are the consequences of the Bush regime's decision to seek undisputed American control of the entire Greater Middle East. This campaign began with the invasions of Afghanistan and Iraq and

now threatens war against Iran, a major target of today's US-sponsored Israeli attack on Lebanon. Israel's actions can't be understood without taking this context into account.

Bush and his ilk have tried to tie Hamas, Hezbollah, Syria and Iran into a single package. There are connections, but they are not at all what the US government claims. These regimes and organizations are not tied together by religion, and still less by any desire to wage war on the US. In fact, their interests are often contradictory, and they don't really want to be tied together at all. What they have in common is that the Bush regime considers them obstacles to the realization of its vision of an American Middle East. Pro-American and Israeli critics have complained that Israel's naked cruelty only inspires more hatred among the region's people. But this is not at all in conflict with what the US and Israel are trying to do with this war now. With the broadening of the attacks that have until now been centred in Palestine, the US is using Israel to deal pre-emptive blows. The aim is to weaken and split perceived enemies, prevent them from taking advantage of the hatred of Israeli crimes that inflames people more every day, and impose "shock and awe" to dishearten any organized opposition in advance.

In one sense, the situation is very easy to understand. Many millions of people all over the world are becoming more furious about this war every time they watch the news. But at the same time it's complicated because there are many different kinds of contradictions working on different levels that are influencing one another. There are very real, distinct contradictions working at the local level, each with their own particular logic, and they in turn are embedded in layers of broader regional and global contradictions that shape them.

HAMAS AND THE PALESTINIANS

The contradiction between Israel and the Palestinians continues to be a driving force in this situation, even with much of the world's attention focused on Lebanon. It was not Iran or Syria but Israel itself that set off the chain of detonations,

not only by taking away the Palestinian people's national rights over decades, but also by deliberately escalating its humiliation and oppression of the Palestinians right now. Hamas, it should be recalled, had maintained a ceasefire with Israel. That ceasefire came to an end in June after a series of Israeli kidnappings of Hamas leaders in Gaza and at least three massacres of civilians by Israeli rocket attacks. Those who would like to claim that Israel's "security" was in danger want to ignore the fact that it was not until after these events that Hamas resumed firing its small homemade missiles at Israel and conducted the operation resulting in the capture of an Israeli soldier.

Despite the Hamas-elected government's efforts to come to terms with Israel, Israel clearly took the decision to crush it instead. On another level, especially after the events of the last weeks, it seems that Israel's decision to seek to eliminate Hamas now was linked to wider strategic considerations, as we'll see.

HEZBOLLAH AND LEBANON

The Lebanese organization Hezbollah chose the moment of Israel's attacks on the Palestinians to launch a cross-border operation into Israel from the north, attacking a patrol and capturing two more Israeli soldiers. Although this conflict overlaps with the Palestinian question, it mainly involves a different issue.

Lebanon has never been a unitary state. France originally created it by carving out a coastal slice of Syria and, in typical colonial fashion, favouring various ethnic groups over one another. The term "Lebanonization" has come to describe any country where the rivalries between ethnic and religious-based forces make a stable national government impossible. For decades Israel and Syria, sometimes in unity and often in conflict, tried to dictate Lebanese life. In 1976, when the armed Palestinian national liberation organizations and Lebanese groups were on the verge of defeating forces originally put into power by France and by then tied to the US and Israel, Syria invaded Lebanon to save the existing political set-up – at American urging. Then, in 1982, Israel invaded to crush the Palestinian movement based among the hundreds of

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thousands of Palestinian refugees living in camps there, and the revolutionary ferment that attracted people to Beirut from throughout the region and beyond. History will never forget the massacres in the camps of Sabra and Shatila carried out by Israel's local allies under the supervision of Ariel Sharon, then the leader of the Zionist army.

Armed and trained by Iranian Revolutionary Guards with help from Syria, Hezbollah came into existence and grew rapidly because it was the only force fighting the Israeli occupiers after the Palestinians were no longer a major political factor in Lebanon. Ironically, although it is not only based among the Shia, one of the country's half-dozen major religious communities, but a vociferous exponent of Shia Islamic ideology, Hezbollah's reputation as a national liberation organization is a major factor making it popular among Lebanese of all ethnic groups and religions, including leftists and other secular people.

For several years now Hezbollah's leadership has been signalling its willingness to achieve a stable relationship with Israel and the US and leave the Palestinian question unresolved. (Hezbollah head Hassan Nasrallah said this to American journalist Seymour Hersh in an interview in the July 28, 2003 New Yorker magazine.) Controlling southern Lebanon, Hezbollah has actually prevented Palestinian refugees from attacking Israel across the border. For a decade, even during the hide tide of the Palestinian intifada, both sides of the border have been very quiet, except for minor Hezbollah/Israel clashes in the Shebaa Farms area still under Israeli occupation. Hezbollah's rocket attacks on Israel show that they are a much better armed and more formidable military force than any of the Palestinian groups. Yet these rockets were kept in storage until after Israel started bombing and attacking Hezbollah.

Hezbollah had captured Israeli soldiers and traded them for its own prisoners several times in recent years, even after Israel withdrew from Lebanon in 2005, but this time Israel reacted by unleashing a war. This shows that Israel's aims had changed. Had Hezbollah's? Some observers, such as the progressive American expert Juan Cole, have said that in deciding to show support for the Palestinians in this symbolic way (after all, they could have fired their Katyushas), Hezbollah was reacting to the situation in Lebanon itself, basically trying to preserve and expand its power within the Lebanese government in the face of rising Israeli and US pres-

sure. That, Israel felt, was unacceptable. But again, even those who consider Israel's existence legitimate cannot present facts to argue that the Zionist state's "security" was endangered by this act. Among similar media accounts, the San Francisco Chronicle (21 July) reported that Israel's armed forces had been planning and even rehearsing this attack for at least a year. Israeli aggressive air incursions into Lebanon over the last months seem to have been meant to prepare as well as perhaps provoke a war.

SYRIA

Again, here we have to shift our gaze to see the contradictions on a higher level that this particular contradiction is embedded in. Syria was at its most powerful when it was a Soviet client state. Its young president Bashar Assad would

target list. Even so, while Assad may have felt that an open endorsement of the American occupation of Iraq might mean the end of his regime, Syria seems to have implicitly accepted the occupation. For instance, when the US armed forces crossed over into Syria in June 2003 and wiped out a convoy of vehicles – civilians unrelated to the Saddam Hussein regime figures the US claimed it was perusing – Assad held his tongue.

Here, too, claims that Israel is "protecting" itself are a lie. Israeli sent fighters to buzz Assad's presidential palace in June, saying that they did so to demonstrate their ability to kill him whenever they want to. This was before the Hezbollah cross-border operation Bush wants to blame on Syria.



like to come in from the cold war and find a place in the new US-dominated world, but his requests have so far been rejected, as Assad complained to Hersh. Assad's eagerness to reach an agreement with the US and Israel appears to be confirmed by the indisputable fact that Syria has kept quiet about the continuing Israeli occupation of the militarily strategic Golan Heights seized in 1967.

The Syrian and US secret services worked together very closely after 2001, when Assad believed that he could hand the US intelligence about Al-Qaeda as a means to a broader arrangement. According to Hersh, former CIA head George Tenet protected the Assad regime against Bush regime figures who wanted to attack it. But when Assad refused to endorse the 2003 US invasion of Iraq, unlike his father who supported the 1991 US invasion, the US put the Syrian regime on its

ISRAEL'S AIMS IN LEBANON AND BEYOND

When France turned against Syria and joined with the US in demanding that country's withdrawal from Lebanon, the weakened and much chastened Assad regime complied. This led to the so-called "Cedar revolution", the formation of a new Lebanese government Bush hailed last year as an example of how the US is spreading "democracy".

But that was last year. The US was happy to see Syria go, but it wants to keep Lebanon Lebanonized, just as it has worked hard to create religious-based "identity politics" in Iraq to gain allies and undermine opposition. Since then, the US and Israel have been pressuring the Lebanese government to disarm Hezbollah. In fact, that is the central demand of Israel's current attacks on Lebanon. The amount of hypocrisy involved is stupendous. First of

all, Israel demands that Lebanon implement UN Resolution 1559 requiring the disarming of all militias – this from the Zionists who for decades have defied UN resolutions to withdraw from the territories they occupied in 1967. Secondly, Israel is calling for the Lebanese government, which includes Hezbollah, to send out its weak and divided army, many of whose soldiers and officers support Hezbollah, to “disarm” (fight) the country’s only real fighting force capable of putting up resistance to Israel. This would amount to making Lebanon an Israeli protectorate.

Israel’s military actions so far make their political aims unmistakable. Israel openly avows that at least for now, it wants to empty the Shia population of Lebanon south of the Litani River, a well-populated farming area 20 kilometres from the border at some points... Lebanese newspapers report that half a dozen southern villages have been hit with cluster bombs and phosphorous. Israeli planes dropped leaflets on villages warning the population that the entire area was about to be pulverized, but then, when villagers tried to flee, Israel systematically rocketed all moving vehicles. In one of the worst incidents early in the war, a convoy of villagers in pickup trucks headed for the city of Tyre. Israeli gunfire hit the women and children in the back of the lorries. Then an Israeli helicopter came up and fired rockets, killing 23 of the 24 people. The only survivor was a four year-old girl burned on 70 percent of her body. Other, similar incidents include an attack on a crowded minibus, also near Tyre, and countless rocketings of private cars and taxis filled with families.

The bombing raids have also targeted the heavily Shia suburbs on the southern edge of Beirut. An Israeli commander announced that they would destroy ten multi-story buildings in the Shia residential suburb of Dahaya for every rocket fired at the Israeli city of Haifa. Israel boasts that its raids demonstrate that support for Hezbollah means death. When refugees were taken in by mainly Christian villages and neighbourhoods, Israel bombed them as well. Among other aims, this is meant to discourage people from taking in those fleeing the south.

Shias, historically given little place in Lebanon’s imperialist-assigned ethnic government arrangements, are by far the country’s single biggest community and may amount to half its population. (There hasn’t been a census for decades, because it would officially reveal that those groups whose clan leaders are most directly tied to Israel and the West and

guaranteed the top posts in the government on the basis of their supposed majority status are in fact a small and shrinking minority.) Israel is attacking not only Hezbollah but Shias in general to make a point: they can’t be allowed to threaten the country’s power arrangements. Israel has also specifically targeted Christian and other communities. For instance, the Israeli army destroyed Lebanon’s Christian and Sunni Moslem-owned television and mobile telephone facilities, claiming that they were being used for “Hezbollah propaganda”. In fact, Israeli’s real target was television news footage of Israeli atrocities riveting and unifying all Lebanese and the communications networks that tie the country together.

While claiming that its goal is for the Lebanese government to send its army to take control of southern Lebanon, Israel has even bombed Lebanese army barracks that have nothing to do with Hezbollah. It has also hit government offices and facilities in general. Perhaps the most telling component of Israel’s bombardment campaign is the targeting of the country’s physical infrastructure and economy. Air strikes against bridges and roads have cut the south off from the rest of the country. They have also hit roads, bridges, the Beirut airport, all the seaports, petroleum storage facilities and factories all over Lebanon, all trucks and other moving machinery, including ambulances. Some 800,000 of the country’s less than four million people have been driven out of their homes. This adds up to a decision to ensure that when Israel is done, the country will be crippled and helpless. When Rice met with Lebanese Prime Minister Fouad Siniora (by Lebanese law, that office must be held by a Sunni), she assured him of Bush’s “support” but refused to give him the support he asked for, flatly rejecting his plea for a ceasefire to prevent the country from being torn apart. As other commentators have pointed out, this was a gangster message: cooperate with us or else.

In short, the immediate American-Israeli war aim is to create an entirely subservient Lebanon, indirectly, at least, if not literally through occupation. Israeli commanders have not ruled out occupation, but they clearly fear having to face the kind of long-term resistance that they have been unable to defeat in the past, in Lebanon, and of course the West Bank and Gaza. Those fears have been sharpened by the Israeli army’s dramatic difficulties in the two key ground battles with Hezbollah so far. Israel suffered what army sources called heavy casualties in trying to take a village called Maroun al-Ras, just across

the border. It failed in its initial assault on southeastern Lebanon’s major town, Bint Jbeil. Israeli officers complain that their tanks and monster military bulldozers are not effective enough against the tunnel warfare Hezbollah is waging.

IRAN

Bush’s repeated statements putting the blame on Syria for Hezbollah’s actions has mystified many serious analysts who can’t see much evidence of major Syrian active involvement. In fact, the only specific US charge is that Syria has been a conduit for Iranian supplies for Hezbollah. But rather than a sign that he doesn’t understand what his advisors tell him, Bush’s insistence is a key part of what’s really going on, just as the phoney Bush/Blair claims about Saddam Hussein’s weapons of mass destruction were not a mistake but part of what can truthfully be called a conspiracy. The aim is to isolate, paralyse and perhaps overturn the Assad regime as a further step in preparing for war with Iran. A well-informed 24 July New York Times analysis said that the US aim was to force Syria to “distance” itself from Iran and cut off Hezbollah supplies. Syria is Iran’s only state ally. The Iranian regime has often said it would consider any attack on Syria as an attack on itself – and that would be very definitely the case.

Some pro-Bush political figures openly proclaim it and “everyone” – everyone who seriously studies the situation and doesn’t just swallow propaganda – knows it’s true: the looming threat of a US war with Iran is an enormous and probably decisive factor behind Israel’s actions.

The Iranian regime noisily welcomed the Hezbollah operation. It, too, is sending a message. After decades of on-again, off-again relations with Israel, with the mullahs receiving Zionist weapons during the early years of their reign and maintaining contacts and economic ties even in recent years, the Iranian regime would like to harness the regional hatred for Israel in a desperate bid to ensure its own survival.

This anger at Israel, at the US standing behind it, and at the American protectorates that rule most of the Middle East, has an enormous potential power. Egypt, Jordan and the Gulf monarchies are widely understood by their own people to be American neo-colonies. All of these regimes have much to fear if a nationalist fever and a mood of resistance were to sweep the region. At a rare illegal rally in Cairo, demonstrators carried portraits of Hezbollah leader Nasrallah together

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with those of Gamal Nasser, the Egyptian president considered the symbol of Arab nationalism in the 1950s and 60s. Similar incidents have been reported in other countries, including Gaza, where marchers carried portraits of Nasrallah and Yasser Arafat. At this moment in the Middle East, Nasrallah – a “terrorist” for Israel and the US – is many times more popular than any of the darlings of American imperialism. For the Iranian theocrats, the anti-Israel and anti-American sentiments of the people might not be the weapon they want, but they see the potential for harnessing this hatred as the best weapon they can get.

In short, Israel’s attacks on Hamas and Hezbollah are also secondary attacks on Iran, aiming at weakening two groups that could cause trouble in the event of a US-launched war against Iran. It is also possible that the Iranian Islamic Republic welcomes a chance to show the US that it does have armed influence in the region and can fight back.

THE “TERRORIST INTERNATIONAL UNITED FRONT”

Whatever connections there may be between Hamas, Hezbollah, Syria, Iran’s mullahs and, according to a leading US State department official, North Korea (!), they are not mainly about religion or ideology. Hamas is a Sunni organization, an offshoot of the Moslem Brotherhood in Egypt. The Brotherhood was financed by Saudi Arabia and encouraged by the US to undermine the nationalist Nasser regime and the communists. Hamas was on the receiving end of many Israeli secret police favours in a campaign against the Palestinian Liberation Organization. It has ties with Iran’s ruling Shia mullahs, but probably not much religious sympathy. The same seems true of Hamas’ relations with Hezbollah. As for Syria, Assad’s father slaughtered thousands of civilians to put down a rising by the Moslem Brotherhood. In Lebanon, Syria allied with Christian reactionaries against the Palestinians.

And as for North Korea...

The last country, especially, makes it plain that the main thing all these regimes and groups have in common is worry that their survival is incompatible with the Bush regime’s vision of an American-squashed globe. Tellingly, the weaponry Iran is supposed to have supplied Hezbollah is mainly Soviet-era technology, another indication that the U.S. is trying to overturn a world order that grew out of the existence of the rival Soviet imperialist bloc. When Bush ideologues scream about now being the time to move against “the worldwide terrorist united front”, what they mean is that they can’t wait to wage war on all the organized forces that stand in their way anywhere. In this “all or nothing” logic, since these potential enemies might help each other, it’s best to go after them all at once. (The U.S. former rightwing Congressional leader turned imperial strategist Newt Gingrich seemed to have this in mind when he enthused over the prospects for what he called “world war 3” growing out of Israel’s attack on Lebanon).

The explanation for the cruelty and wild ambitions of Israel’s military campaign cannot be found in Israel alone. Israel is just one more weapon of mass destruction in the American arsenal. The US created, armed, financed and directs Israel for strategic purposes that have little to do with Zionist influence in the United States. What is most basically at stake is what we have already seen in Iraq: the US is determined to make the entire Middle East into a string of American neo-colonies, countries formally independent but under its economic, political and military control. The ultimate goal is not only to grab the region’s oil and the riches created by its people, but even more to use this control as a central pillar of an American-dominated global political system that can guarantee – against all rivals as well as the people – the conditions of profitability for American capital throughout the world...

The problem is that all of the main actors on this stage, in terms of those playing speaking roles, are reactionaries and will not be able to represent the people’s interests to the end. Their politics reflect the fact that they are exploiters whose interests are necessarily narrow because they are rooted in clan, semi-feudal and imperialist-dependent capitalist relations. At the same time the potential power of the vast Middle Eastern masses who have not been allowed to speak has never been clearer. That is the contradiction that needs to be addressed if the great storm whose rising wind can be so readily felt is going to change things in the people’s favour.

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Flora Gould

Flora Gould was born in 1908 and received her political education amidst the deprivation and suffering that so many went through during the depression. Like hundreds, if not thousands of others, she and husband and were forced off their farm. He chased non-existent jobs for what seemed like months on end and she tied to make their meagre monies stretch to feed their two young children. Then he died and 'here I was with two kids and no money'.

She went to Victoria University in Wellington and found a job there and 'interesting people with ideas about politics'. One of her friends introduced her to Gordon Watson who was at that time the editor of the Peoples Voice and told her they needed a part-time worker at the CPNZ office. She took the job and had her first real contact with the Party.

Soon after she joined the Party. As she recounted to Massey University historian Kerry Taylor:

'Gordon talked to me one day, and he said one day, what don't you join the party? So I said, as a lot of people say who don't know any better, oh I think I can do just as good work outside the party. So Gordon very clearly and patiently explained to me that once you join the party you have the benefit of an organization, the benefit of the collective. You get the benefit of other people's ideas and contributed your own ideas, and there really was a collective result. So I joined up.'

Flora married Nat Gould who had himself joined the party after becoming national secretary of the Friends of the Soviet Union. He went on to become editor of the People's Voice and held that position when the party's presses were smashed by the police (using sledge-hammers) in 1940 and he was arrested under war-time legislation for opposing imperialist war and spent eight weeks in Mt Eden prison. He and Flora had moved to Auckland to work on the paper and they stayed there working on In Print, the legal paper that replaced the People's Voice, edited by the poet Ron Mason.

When the war changed its nature after the Nazi attack on the Soviet Union Nat joined up and Flora moved to Christchurch to start a party office there. She returned to Auckland after it was established.

Flora was active in an enormous range of organizations, often taking the secretary's job. The Society for Closer Relations with Russia, the Women's Union, and later the Peace Council. With the Women's Union she organized campaigns around child-care, high prices and inflation, the question of war and peace and encouraged progressive ideas such as towards the Soviet Union within the women the union had contact with.

'I remember doing some dress-making because I remember a friend coming up from Wellington and found out where my little dress making place was in Karangahape Rd and came in and it was a dress making place all right, that's what I did. And he said to me "is this real or is it a front?" Which shows the funny ideas people had, that communists couldn't possibly do dress making, you know.'

During the years after the war through the 1950s Nat and Flora didn't have specific tasks, just working as hard as they could for the party alongside their paid work. They were also regularly opening their home to comrades without jobs. That sort of support was common, as she told Kerry Taylor:

'Communists in general are very caring people. That's why they are in the Communist Party in the first place. Nobody joins the Communist Party thinking this is a good thing for me!'

Among those who stayed with them was Rewi Alley, on his speaking tours of New Zealand to promote the achievements of the Chinese revolution.

Flora got involved in the Peace Council from 1956 when she went on the committee and became the secretary and served in that position for a number of years. The period was very interesting in terms of the ideological struggle against revisionism. Just as divisions between the Chinese and Soviet parties drew their ideological lines regarding imperialism and the 'peaceful transition to socialism', so too were these divisions played out in the Peace Movement. The Soviet line was to 'ban the bomb' the Chinese line, that the New Zealand Peace Council came to agree with through its own deliberations, was that 'policies, not weapons themselves, bring about war'. It wasn't the bomb itself; it was the policies that controlled the bomb.

Flora and Nat worked for the CPNZ through turbulent times in the 1960s and 70s. They pointed to Mao's theories of the two lines and that there would always be two lines and that you needed to struggle to make sure that the correct one dominates. Eventually in their opinion the wrong one did and they left the Party. The CPNZ became increasingly close to the Albanian party and when that party launched an attack on Mao and the Chinese Revolution Nat and Flora were among those who tried to defend Mao's legacy.

At first the majority of the Party shared Nat and Flora's position and Nat was part of a delegation to discuss their differences with the Albanians. Their report back was further critical of the Albanian position and initially enthusiastically received but the CPNZ leadership essentially overruled the investigation and imposed a new line. Nat was subject to an organized attack and expelled, Flora was refused permission to resign but stopped attending activities.

Flora and Nat and other comrades who had left the CPNZ in similar circumstances formed themselves into the Red Flag Group initially through contact with the Revolutionary Communist Party of the USA, a group that shared their criticism of the Albanian position. The Red Flag Group was an early, although not foundation, member of the Revolutionary International Movement or RIM in 1984.

When Nat died Flora kept the group going, although as she got older in decreasing intensity. When interviewed by another historian, in 2001, she looked back at her long life of service to the communist party and a huge range of progressive movements and announced 'you know what I really miss – the ideological struggle!'. She died 3 April 2003.

Strive to Unite!

Ka Kohi Te Toe Ka Whai Te Marama Tanga

(through the sharing of knowledge, enlightenment will follow)

Struggle is published quarterly representing the viewpoint of the Organisation for Marxist Unity. Struggle aims to provide a Marxist analysis of class struggle, politics and economy of Aotearoa/New Zealand.

The immediate task is to encourage working people and all possible forces to unite in a Patriotic and Democratic United Front led by the working class to remove the stranglehold of foreign monopoly capitalists and their local agents, by establishing a People's Democratic State System. This stage of the advance to Socialism is determined by the objectively exist-

ing class contradictions, classes and laws of social development. The more comprehensive the competition of this stage, the more favourable will be the situation for the further advance to a socialist society.

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