

Public Meeting in Wellington

The New Zealand budget and the fight against austerity

24 June 2011

The National government's budget, handed down on May 19, is part of an international offensive on the working class. From Europe to the United States, governments are making the working class pay for the trillions of dollars handed over since 2008 to bail out the banks and financial institutions in the wake of the global financial crash.

A social counter-revolution is unfolding on a world scale—the ruthless and systematic destruction of the fundamental gains and social rights won by the working class over a century of struggle. This assault is being accompanied by a return to great power rivalries and imperialist gangsterism on a scale not seen since the 1930s, posing ever more sharply the danger of a new world war.

In New Zealand, Prime Minister John Key's sole priority is to satisfy the global credit agencies that his government will meet its debts to international lenders, while protecting the interests of the corporate and wealthy elite. The budget slashed \$1.2 billion (\$US970 million) from welfare, retirement funds and the public service, and outlined plans to raise up to \$7 billion from asset sales.

With an eye to the coming November election, the bulk of the new cuts do not take effect until next year. The government, however, has already signalled that further cutbacks will be announced once the election is out of the way. It is cynically justifying the assault on the working class with claims that this will pay for the reconstruction of earthquake-ravaged Christchurch, even as it denies tens of thousands of workers in the city any meaningful assistance to cope with the extent

of the disaster.

The conditions facing the working class are already intolerable. Thousands struggle to make ends meet on temporary or part-time work, while youth unemployment is close to 20 percent. The cuts in this year's budget come on top of previous cuts to healthcare, education and welfare benefits, an increase in the consumption tax and draconian labour laws that are driving down wages.

The Labour Party, the unions and minor parties such as the Greens and the recently-formed Mana Party present no alternative to the Key government's agenda. They are all entirely beholden to the same private profit interests. Regardless of who wins the election, the financial and corporate-led assault on the social position of the working class will only deepen in its aftermath.

The working class, in New Zealand and internationally, stands at an historic crossroads. It must mobilise its collective strength or undergo a devastating decline in its living standards. But the agenda of capitalist austerity will not be defeated by mere protests. Mass demonstrations in Greece, across Europe and in the US have proved that protests alone, no matter how large, will not reverse the agenda of the ruling elite.

There can be no solution to the crisis facing workers and youth without ending the capitalist profit system. The working class must fight for political power and a workers' government, which will place the banks and major industries under the democratic control of the

working class itself, in the interests of the majority, not a tiny wealthy minority.

In New Zealand, this requires the building of a section of the International Committee of the Fourth International—a new independent political movement of the working class based on an internationalist and socialist program. The *World Socialist Web Site* and the International Students for Social Equality urge workers, students, youth and professional people to attend our meeting to discuss this perspective.

Public Meeting

Tuesday July 12, 7.30pm

Meeting Room 3

Te Awa Kairangi Community Centre

47 Laings Road, Lower Hutt

Tickets: \$3/\$2 concession

For more information email:
isse.wellington@gmail.com



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact