

# No to war and social inequality! For world socialism!

## Statement of the Socialist Equality Group on the New Zealand election

19 September 2017

The New Zealand election on September 23 poses the urgent need for an internationalist and socialist movement of the working class. Whatever its outcome, the election will not address the great issues of the day that confront workers and young people: the failure of capitalism as an economic system; growing international tensions and the undeniable danger of world war; and the unprecedented levels of social inequality wracking society.

Seeking to reverse its economic decline and maintain its dominant global position, US imperialism has waged 25 years of bloody interventions and wars—against Iraq, in the Balkans, Africa, Afghanistan, Libya and Syria. It is now threatening North Korea and Iran, and has adopted the most confrontational stance toward nuclear-armed Russia and China.

While strategic think-tanks around the world openly discuss a catastrophic conflict breaking out between the US and China, every section of the political establishment in New Zealand has collaborated, throughout the election campaign, to prevent any debate on the country's role as a minor imperialist partner of Washington. Not a word of opposition has been aired on the hosting of US spy bases or participation in its "Five Eyes" intelligence network. Following the Trump administration's murderous threats to rain "fire and fury" on North Korea—an implicit reference to the use of nuclear weapons—the National Party government said it would "consider" joining such a war, while the opposition Labour Party refused to rule it out.

As an ally of the US and Australia, the preoccupation of the New Zealand ruling class and its parties is to prepare for the prospect of war by promoting nationalism and stoking anti-Chinese xenophobia. This has reached new heights with the hysterical accusations, in the course of the campaign, that a Chinese immigrant National Party member of parliament is a "Chinese Communist Party" spy.

At the same time, the ruling elite is terrified that class tensions are reaching breaking point. Decades of attacks on wages, working conditions, social services and welfare for the working class have led to immense alienation and anger. A recent survey found that 64 percent of the population believe the economy is rigged in favour of the rich, while 56 percent believe no party represents their interests. That is why every effort has been made, during the campaign, to try and revive illusions that Labour is a "lesser evil" to the National Party, and to confine the working class to the bankrupt parliamentary perspective of electing a Labour government yet again.

The Socialist Equality Group (SEG), the New Zealand supporters of the International Committee of the Fourth International (ICFI), advances the internationalist, socialist and revolutionary alternative. The SEG does not endorse Labour or any other party or candidate. Against nationalism,

xenophobia and militarism, we fight for the unity of New Zealand workers with workers around the world to establish socialism and put an end to the capitalist profit system—the cause of war, exploitation and oppression.

With this statement, we appeal to workers, students and young people to draw the necessary conclusions from your experiences, join the SEG and build it as the New Zealand section of the ICFI, the world Trotskyist movement.

### The National Party government and the social crisis

Support for all the major parties has undergone a historic collapse, reflected in the record abstention of about a million people during the past two elections, in a country of just 4.8 million.

For nine years the National Party government, supported by Labour, has imposed the burden of the 2008 financial crisis on the working class, overseeing a massive transfer of wealth to the rich. Austerity measures have included the partial privatisation of power companies and the sale of mining company Solid Energy; thousands of job cuts throughout the public sector; drastic underfunding of health and education; pushing thousands of people off welfare; tax cuts for corporations and high income earners; and an increase in the Goods and Services Tax from 12.5 to 15 percent.

Wages have plummeted over the past 30 years, while living costs, especially housing, have sky-rocketed. Real median incomes for under-25-year-olds almost halved between 1986 and 2006, and incomes for all age groups have continued to fall since.

An average Auckland house now costs \$1 million, placing the city among the least affordable in the world. Meanwhile one percent of the population—42,000 people—are homeless, the highest rate out of 41 developed nations, according to a Yale University study. Some 290,000 children, or one in four, live in poverty, and last year there were 43,000 hospitalisations for poverty-related diseases. The social crisis has contributed to New Zealand having the OECD's highest suicide rate for 15- to 19-year-olds, at 15.6 per 100,000, twice as high as in the US.

At the other end of the social scale, the country's super-rich, profiting from property speculation and other parasitic activities, have almost doubled their assets since the 2008 recession, from \$44.4 billion to \$80 billion, according to the annual "Rich List." The two richest New Zealanders have more wealth than the poorest 30 percent.

These historic levels of social inequality are driving workers toward explosive social struggles.

Fear of the eruption of the class struggle lies behind the government's turn to militarism, attacks on democratic rights and preparations for domestic repression. It has expanded military training exercises with the US, sent troops to Iraq and Afghanistan and declared that it would "consider" joining a war against North Korea. At the same time, it has built the scaffolding of a police state, by strengthening the powers of the intelligence agencies to spy on the population. It is now contesting the election with reactionary appeals to "law and order," including pledges to "increase police powers" and send youth offenders to a military-run "boot camp."

## The Labour Party prepares a new trap for the working class

Until recently the National Party government appeared likely to win a fourth term in office, despite mass opposition to its policies and the shock resignation last December of Prime Minister John Key. For the past three elections, the Labour Party has been incapable of making any popular appeal, for the simple reason that it agreed with National's austerity agenda. In 2014, Labour recorded its worst vote in 92 years. For most of this year, it was polling just above 25 percent and faced yet another debacle.

The August 1 elevation to Labour's leadership of 37-year-old Jacinda Ardern—its fifth leader since 2008—was a desperate manoeuvre to stave off electoral disaster. A significant section of the corporate media, along with the trade unions and pseudo-left groups, have swung behind Ardern and are now frantically promoting Labour. Within little more than a month, Labour overtook National in the polls, on the basis of Ardern's populist claims that she would address aspects of the social crisis.

The so-called "Jacindamania" reflects the definite desire for far-reaching change among workers and young people. Ardern, however, did not create this sentiment and she is only its temporary beneficiary. Like British Labour leader Jeremy Corbyn and US Democrat Bernie Sanders, she is being promoted to keep the working class trapped behind a pro-imperialist, establishment party which, if elected, will only deepen the assault on living standards and preparations for war.

Ardern's pledges to eliminate child poverty and homelessness and introduce free post-secondary education are worthless rhetoric. The Labour Party and its main ally, the Greens, have assured the financial elite that they will abide by "budget responsibility rules." These include reducing government debt and keeping core spending below 30 percent of gross domestic product—down from 35 percent in 2008. Any token increase in spending in one area would be matched by deeper cuts in another.

Labour fully backs New Zealand's alliance with the US and its alignment with Washington's preparations for a military confrontation with China. As war approaches, more and more funds will be diverted from social programs to fund the military. Last year, the Greens endorsed National's plan to spend \$20 billion over 15 years on upgrading the military, to ensure that ships and aircraft were "interoperable" with the US and other allied forces. Both Labour and NZ First responded by attacking the government from the right, insisting that this figure was not high enough.

Labour and the Greens, together with the Trump-like NZ First and the Maori nationalist Mana Party, are at the forefront of whipping up racism and anti-immigrant xenophobia. The opposition parties have criticised the National Party's links with Chinese businesses and sought to blame Chinese migrants and investors for the lack of affordable housing, low wages, the drugs epidemic, and over-stretched hospitals, schools and public transport. Crowning Labour's reactionary nationalist agenda,

Ardern has vowed to slash immigrant numbers by up to 30,000 per year, or more than 40 percent.

Labour supports strengthening the spy agencies and agrees with the right-wing "law-and-order" pledge to boost police numbers. It is no accident that Greg O'Connor, the former leader of the police union, who has defended a spate of shootings by police and called for all officers to be equipped with firearms, is campaigning as a Labour candidate in Wellington.

Labour and the Greens have also sent clear signals that there will be no let-up in the assault on welfare under any government they form. Green Party co-leader Metiria Turei was pressured to resign in August after revealing her own history as a welfare recipient and calling for a small increase in benefit levels. Turei was attacked by members of her own party and denounced as a criminal by Ardern because, in order to survive as a single parent, she had claimed above her entitlement.

## The historical record of Labour

The Labour Party must be judged not on Ardern's false promises but on its record.

For more than a century, the Labour Party has served as the most reliable prop of capitalist rule. It was founded by the trade unions and Social Democrats in 1916 to divert the growing opposition to World War I into a limited campaign against conscription. The first Labour government came to power in 1935, following the working class riots of the Great Depression. It implemented certain reforms to save capitalism from a revolutionary challenge by the working class, then took the country into the second imperialist world war.

Now, in the most severe global crisis since the 1930s, an operation is underway to revive the Labour Party as a mechanism to suppress mass opposition to the entire parliamentary set-up.

Social democratic parties in every country have undergone a profound transformation. They are no longer reformist organisations offering workers limited concessions, but the direct instruments utilised by finance capital to strip away the social gains made by the working class in past struggles.

The extreme poverty and inequality in New Zealand is the product of four decades of pro-business restructuring, which was launched by the 1984-1990 Labour government of Prime Minister David Lange. In response to the seismic changes in world economy brought about by the globalisation of production, Labour ditched any commitment to social reform and began dismantling New Zealand's nationally regulated economy, removing any barriers to the accumulation of profit.

Lange declared: "Social democrats must accept the existence of economic inequality because it is the engine which drives the economy." His government was applauded as a model in financial circles internationally, like Thatcher's in Britain, Hawke and Keating's Labor governments in Australia, and the Reagan administration in the US.

During the 1980s and 90s, income inequality widened more rapidly in New Zealand than in any other OECD country. The Lange government privatised telecommunications and the steel industry, slashed corporate and top income tax rates, introduced the regressive Goods and Services Tax, university fees and the surtax on pensions. The state-owned forestry, coal mining, postal, electricity and rail services were restructured into profit-making companies, that sacked tens of thousands of workers. Agricultural subsidies and protections for manufacturing were scrapped, resulting in mass redundancies in meat processing, auto assembly and other industries.

The trade union bureaucracy collaborated with these attacks by

suppressing opposition within the working class to the Labour government. The unions were transformed into adjuncts of big business and the state, declaring that workers had no alternative but to “sacrifice” for the national economy. When the 1990s National Party government continued Labour’s agenda, slashing welfare, carrying out more privatisations and attacking workers’ rights, hundreds of thousands of people protested. The Council of Trade Unions, however, rejected calls for a general strike and demobilised the workers.

Following these historic betrayals, tens of thousands of workers abandoned the Labour Party and the unions in disgust. The Labour Party is now little more than a shell, composed of parliamentary careerists and their families, business owners and union bureaucrats.

The 1999-2008 Labour government of Prime Minister Helen Clark—supported by the pseudo-left Alliance Party and the Greens—presided over widening social inequality. It maintained a tight spending cap and starved education and healthcare of funds. The wealthy profited from a stock market and property boom, while household and student debt soared.

Clark, whom Ardern describes as her political role model, played a major role in strengthening the country’s ties with US imperialism by sending New Zealand troops to Iraq and Afghanistan. Labour also joined the Australian-led neo-colonial interventions in East Timor and the Solomon Islands.

There can be no return to the period of national reforms. If Labour is elected, those workers and youth currently supporting Ardern will quickly be disillusioned. A Labour government would function no differently to Syriza (The Coalition of the Radical Left) in Greece, which won the 2015 election based on anti-austerity populism. Once in power, Syriza ditched its promises and collaborated with the International Monetary Fund and European governments to impose even more savage measures, including privatisations and cuts to wages, pensions, healthcare and other basic services. It strengthened the police and military to suppress opposition, and brutally cracked down on migrants and refugees.

Syriza enjoyed the enthusiastic support of all the middle class pseudo-left groups internationally, including those in New Zealand now supporting Labour’s campaign. The ICFI alone warned workers that Syriza was not a “radical left” party, but a pro-capitalist party, hostile to the workers and representing the top 10 percent of Greek society.

## The role of Socialist Aotearoa and International Socialist Organisation

The pseudo-left groups Socialist Aotearoa (SA) and the International Socialist Organisation (ISO), which have close ties to the trade union bureaucracy, are campaigning on behalf of Labour and the Greens and seeking to deceive workers by promoting the illusion that these parties can be pressured to make left-wing reforms.

Praising “Ardern’s articulate and energetic leadership,” the ISO declared that “a lot of working-class people have become imbued with hope ... People want the reforms Labour are offering; we want them too.”

Its August 28 article admitted that “Ardern’s elevation to Labour’s leadership has made no real difference to the party’s policy. If anything, Ardern is more a Blairite ‘Third Way’ politician than [former leader Andrew] Little. It remains our duty to warn workers and students that Labour cannot be trusted to deliver on its election promises and that an Ardern-led government will be pro-capitalist.”

ISO proceeded to declare that “these warnings are not our opening remarks; they are conclusions to detailed arguments. The immediate task for the ISO is to participate in the election and share in the effort to get a

Labour-led government.”

These words underscore the duplicity and cynicism of pseudo-left politics. The ISO is campaigning for a right-wing “Blairite” party that it knows will attack the working class.

Similarly, Socialist Aotearoa’s Joe Carolan, an organiser with the Unite union, declared that with Ardern in the leadership there was a new sense of excitement, “just as people have got excited about Corbyn’s reformism and Bernie Sanders.” While admitting that Labour’s policies had not changed, he stated: “If National were beaten by Labour and the Greens that would be good. That’s what working class people think. That’s not what sectarian little groups think.”

The pseudo-lefts have flocked to Ardern, denouncing as “sectarian” the fight waged by the Socialist Equality Group to break the working class from Labour and all capitalist parties. Far from being socialist, the ISO, SA and similar groups such as Fightback, represent a layer of the upper middle class which has moved sharply to the right over the past three decades, in lockstep with Labour and the unions. The relatively privileged position of this layer, including union officials and academics, depends on the continued stability of New Zealand capitalism, and thus, its continuing attacks on the social position of the working class.

The pseudo-lefts are supporters of imperialist war. None of them have criticised Ardern for backing New Zealand’s involvement in Afghanistan and Iraq or for leaving open the possibility of joining a war against North Korea. The ISO, Socialist Aotearoa and Fightback all support the ongoing US war for regime change in Syria. They have organised demonstrations to demand Russia’s withdrawal from Syria and greater US military support for the Al Qaeda-linked militias fighting the Assad regime. Echoing the US State Department’s propaganda, the pseudo-lefts falsely depict Russia and China as “imperialist powers,” in order to justify the US preparations for war against them.

## Oppose nationalism and identity politics! Unite the working class!

The pseudo-left groups share political responsibility for the nationalist and anti-Chinese campaign being waged by the opposition parties. In the 2011 and 2014 elections, the International Socialist Organisation, Socialist Aotearoa and Fightback campaigned as part of the anti-immigrant, Maori nationalist Mana Party, falsely describing it as “pro-poor” and “anti-capitalist.”

The Mana Party combines calls for mild reforms, such as meals in schools, with chauvinist demands for discrimination against immigrants, especially Chinese people. After failing to win a single seat in the 2014 election, Mana joined the Greens in supporting the xenophobic NZ First leader Winston Peters in a 2015 by-election. NZ First has repeatedly attacked Chinese, Indian and Pacific Island immigrants and demonised Muslims as potential terrorists.

Mana leader Hone Harawira, who has been glorified by the pseudo-lefts, began his party’s 2017 campaign by attempting to outflank NZ First from the right, calling for Chinese drug smugglers to be “executed.”

Mana’s trajectory illustrates the reactionary character of Maori nationalism, which has been promoted at every level of government, in schools, universities, and by the trade union bureaucracy, to politically divide Maori from non-Maori workers, and prevent the development of a unified movement of the working class against the political establishment and the capitalist system it defends. The only beneficiaries have been the privileged Maori elites.

Mana is campaigning in alliance with the Maori Party, which has discredited itself by being a partner in the National-led government for the past nine years. Both parties represent Maori capitalists who support for-

profit charter schools and the privatisation of power companies, housing, welfare, healthcare and other services—so long as Maori businesses can profit.

Mana's main demand, supported by the pseudo-lefts, is for increased payments to Maori tribal-based businesses through Treaty of Waitangi settlements. The 1970s Labour government established the Treaty settlements process with the false claim that it would provide redress for the crimes of British colonialism and lift Maori out of poverty. Decades later, a small layer controls about \$42 billion in assets, while the majority of Maori live in appalling poverty—with lower life expectancy, worse health, higher unemployment and more likelihood to be incarcerated. Wealth inequality within the Maori population is about twice as high as among white New Zealanders.

The pitting of workers against one another based on race and nationality flows from attempts by the capitalist class to distract attention from the real source of social inequality: the profit system. In response, the working class must develop its own political strategy to unite as an international class, irrespective of race, nationality, gender or sexual orientation. Immigrants, who make up one quarter of the population, must be defended against incessant attempts to scapegoat them for the failure of capitalism to provide well-paid jobs to all, along with decent, affordable housing.

The fight for these social rights can only proceed in a political struggle against the racism of NZ First, and every other form of nationalism and identity politics, including Maori nationalism. New Zealand workers, Maori and non-Maori, must unite their struggles with workers in Australia, the Asia-Pacific region and internationally who are facing the same attacks on jobs and living conditions, and the same threat of war.

In a globalised economy, the persistence of national borders is completely irrational and the source of war among competing capitalist powers. In opposition to the entire political establishment, the Socialist Equality Group advances the demand for open borders. Working people should be allowed to live and travel anywhere in the world, with full citizenship rights and without fear of deportation, poverty or repression.

## Build the Socialist Equality Group!

The election will resolve none of the urgent problems facing the working class. As in the 1930s, the imperialist powers see no way out of their economic crisis apart from intensifying the assault on living standards, whipping up nationalism and waging war against their rivals.

The Trump administration, with his support for neo-Nazis and extreme anti-immigrant measures, is the sharpest expression of the attacks on democratic rights taking place internationally, as governments prepare to confront resistance to their reactionary agenda. In line with these preparations, huge corporations, such as Google and Facebook have begun censoring socialist and anti-war websites, especially the *World Socialist Web Site*, the Internet centre of the ICFI.

Workers in New Zealand will be driven into immense social struggles, which will take on an ever-more overt revolutionary, anti-capitalist and international character. The lesson of the past century, however, is that no matter how powerful the spontaneous upsurge of the working class, it cannot succeed in overthrowing capitalism in the absence of a revolutionary party and a scientific socialist perspective.

The International Committee of the Fourth International and the SEG uphold the perspective of world socialist revolution that guided the October 1917 Russian Revolution, led by Vladimir Lenin and Leon Trotsky, in which the working class took power for the first time and established its own government.

The SEG bases itself on the ICFI's defence of the continuity of the

socialist and internationalist perspective of the Fourth International, founded by Leon Trotsky to lead the struggle against the Stalinist betrayals of the Russian Revolution and of the international working class. The ICFI was founded in 1953 in opposition to the attempts by Michel Pablo and his followers to liquidate the Trotskyist movement into Stalinist and petty bourgeois nationalist movements. The ICFI has opposed every effort to adapt the socialist movement to bourgeois and nationalist pressures.

The SEG seeks to build a section of the ICFI, the World Party of Socialist Revolution, in New Zealand. At the centre of our political campaign is the struggle against imperialist war, based on the principles outlined in the ICFI's February 2016 statement "Socialism and the Fight Against War":

\* The struggle against war must be based on the working class, the great revolutionary force in society, uniting behind it all progressive elements in the population.

\* The new anti-war movement must be anti-capitalist and socialist, since there can be no serious struggle against war except in the fight to end the dictatorship of finance capital and the economic system that is the fundamental cause of militarism and war.

\* The new anti-war movement must therefore, of necessity, be completely and unequivocally independent of, and hostile to, all political parties and organizations of the capitalist class.

\* The new anti-war movement must, above all, be international, mobilizing the vast power of the working class in a unified global struggle against imperialism.

We fight for the establishment of a workers' government that will implement socialist policies, including expropriating the banks and key corporations and placing them under public ownership and the democratic control of the working class. Production must be planned and resources utilised to eradicate poverty, lift living standards and raise human culture to new heights.

We call on those who agree with this statement to contact us. Follow the *World Socialist Web Site* and share articles to help build its readership. Establish branches of the International Youth and Students for Social Equality, the ICFI's youth movement, in schools, universities and polytechs. Attend our public meeting in Wellington on Sunday, October 1. Above all, we urge you to join the SEG!



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