

THE ★ **SPARK**

Abolish GST

ACC— against capitalist carnage



Anti-imperialism: Nepal & Afghanistan
| Students and radical politics |
Palestine interview: Kerem Blumberg
| Students occupy in the UK |
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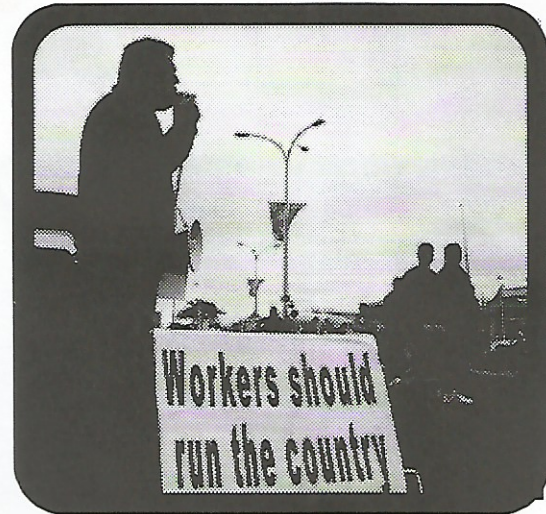
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Workers Party Platform

1. Opposition to all New Zealand and Western intervention in the Third World, and all Western military alliances.
2. Jobs for all with a living wage and shorter working week.
3. For the unrestricted right of workers to organise and take industrial action, and no limits on workers' freedom of speech and activity.
4. For working class unity and solidarity - equality for women, Maori and other ethnic minorities and people of all sexual orientations and identities; open borders and full rights for migrant workers.
5. For a working people's republic.

www.workersparty.org.nz



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ACC protest : Strong and weak points

Don Franks

The Accident Compensation Commission has "blown out" financially and needs major reform, ACC minister Nick Smith claimed last year. The government now says it must control costs by raising levies, cutting entitlements and coverage, and privatizing parts of ACC.

Seasonal and part time workers, people needing hearing aids and sexual abuse survivors stand to be particularly disadvantaged by proposed ACC cuts.

On February 16th two hundred people opposing these measures rallied at parliament. The protesters were mostly unionists and bikers, angry at ACC levy increases specifically aimed at them.

The best part of the protest was general unity against the privatization of ACC. However, official speeches failed to recognize capitalist drive for profit as the cause of ACC cuts and workplace accidents. Instead, there was much nationalist rhetoric. Labour opposition leader Phil Goff got a big cheer when he warned Australian owned insurance companies: "Privatise ACC in New Zealand at your peril, because when Labour is back you are going to be out of here and we are taking it back." The NZ Council of Trade Unions presented a nationalistic defence of the status quo: "ACC is the world's best accident and injury compensation scheme and something New Zealand should be proud of." The ACC Future Coalition, an alliance of unions and healthcare providers, distributed a leaflet claiming that future government moves could result in "profit sucked out of New Zealand" and that "ACC works for all kiwis".

ACC is not about nice kiwis versus bad foreigners. In the real world, it's not "all kiwis", but the working class who disproportionately suffer from industrial



Workers Party activists participating in the rally opposing ACC levy increases outside Parliament, February 16.

accidents.

Provisional data for the 2007 calendar year showed 231,300 work-related injury claims reported to the ACC by 31 March 2008. This included 67 work-related fatalities. This is likely to be an underestimation of the final number of fatalities, because some workers may have died later from injuries received in the period. The number of claims for fatal injuries inflicted in 2006 that were recorded by March 2007 was 81; the final number of fatal injury claims for 2006 was 103. Moreover, not all fatal work-related accidents result in a claim to the ACC.

Workers Party members distributed a leaflet at the protest titled : 'Against Capitalist Carnage'.

Our leaflet said in part:

Right now changes are being proposed to ACC which will have a serious impact on access to healthcare and counseling. While rich bosses and corrupt politicians can afford private healthcare and receive preferential treatment in the public healthcare system, working class people are once again under attack.

Workplace injuries would generally not happen if the workplace itself was safer. The responsibility for this does not lie with the workers, it lies with the capitalist bosses. Employers' drive for maximum profit leads them to impose the accident-causing staff reductions and speedups. Bosses do not pay for the accidents they are responsible for. Instead, the working class is forced to pay for treating the many injuries dealt to those in its ranks. Workers pay for this through levies on their wages and on the petrol they use driving to work. At a time when it's getting harder every day just to make ends meet, an increase in ACC levies will hit us hard. This is not acceptable.

These cutbacks are part of a series of attacks on working people carried out by successive National and Labour governments, and we need to fight back. We need to build a movement against not just a particular law or a particular government, but against the entire capitalist system, a system organised to create private profit rather than meet human need.

Obama's troops enforce "a government in a box"

John Edmundson

Saturday 12th February saw the much heralded commencement of Operation Moshtarak, the assault on Marjah, a small city in Afghanistan's Helmand province. Helmand province has been one of the areas the US-led coalition has had most difficulty subduing in its nine year war against the Taliban. The build up to this massive attack was unusual in that it was advertised well in advance, not only through the traditional media sources but also to the residents of Marjah itself, in the form of leaflets dropped into the city, exhorting the inhabitants: "Don't let the Taliban into your home", and advising them to flee in advance of the invasion or remain indoors after the assault began.



When it finally came early on the Saturday morning, the attack took the form of an assault breathlessly trumpeted as the largest helicopter-borne operation ever to take place in Afghanistan. 15,000 troops, led by US Marines but including soldiers from other Coalition countries and Afghan Army units, stormed into the city in search of the 400-1500 Taliban and al Qaeda troops who, we learned, had been digging in for a fierce fight. The US-led troops were accompanied by an army of embedded journalists and photographers, ready to spin the battle from the front line. Within hours, the media hacks were earning their pay, filing photos and stories of US Marines: "in harm's way", rescuing the people of Afghanistan from the Taliban and "foreign fighters". But what is it really all about?

When the plan to attack Marjah was first released, the stories ran with two main themes. First, the city was described as a logistical centre for the Taliban resistance, enabling them to supply IEDs (improvised explosive devices) to other areas of the province and the country. The defeat of the Taliban in Marjah would

deal a blow to the whole insurgency. But the Taliban have never operated in that way before and there is no evidence that their presence in Marjah represents a change in strategy. Establishing a "logistical base" in a visible location would be a recipe for disaster for a militia fighting a guerrilla war against an enemy with vastly more resources available to it. The Taliban understand this perfectly. That is why they avoid set piece battles with the US and its allies. All the Taliban's military successes have taken the form of small scale hit and run operations, ambushes, and the deployment of roadside bombs and other IEDs. It is simply nonsense to consider Marjah a "logistical base" in any meaningful sense of the word. And, not surprisingly, when the US-led troops arrived, they met with no conventional resistance, simply a town littered with booby-traps and small groups of up to six or eight insurgents launching hit and run attacks on the invaders and attempting to hinder their efforts to secure the city.

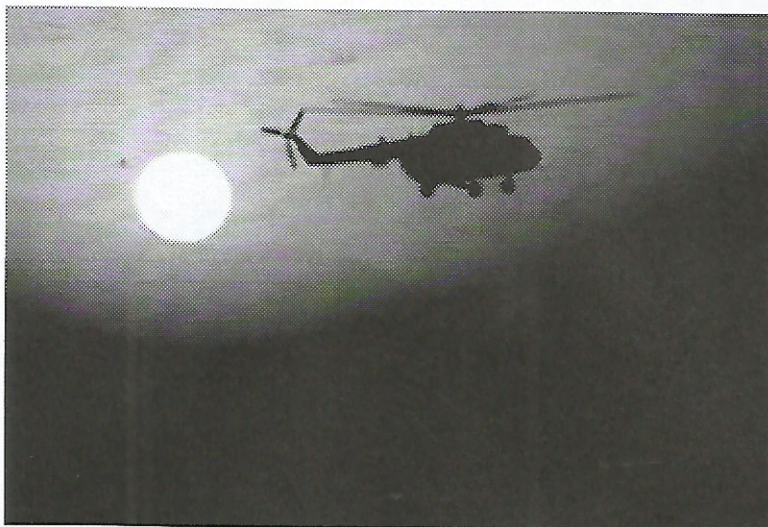
The second main claim was that Marjah, a city of about 80,000 people, is a centre for the Taliban's "lucrative opium trade". This claim ignores

AFGHANISTAN

the obvious fact that opium production fell during the period of Taliban control of Afghanistan and has dramatically risen again following the imposition of a US client regime in Kabul. Ninety percent of the world's opium production occurs in Afghanistan according to the UN Office on Drugs and Crime (UNODC) and much of that is produced in Helmand province. The Taliban do use income from the poppy trade but so do warlords allied to the US-backed government of Hamid Karzai. Two of Karzai's brothers have been implicated in the opium trade. Opium poppy production fell to its lowest point in recent years after the Taliban government banned the planting of the poppy in 2000 but climbed again almost every year from the defeat of the Taliban in 2001 to its peak in 2007. President Barack Obama's national security adviser, retired General James Jones, recently declared, "One of the ancillary benefits of where this operation is being conducted is in the heart of Helmand province, and that is the center mass of the drug production. Happily, last year for the first time in several years, the poppy production went down and wheat production went up, and so we'll see what happens this year." US claims that they are attacking the opium trade by waging war in Helmand province is disingenuous. While poppy production has fallen in the last two years, Afghanistan's dependence on the poppy is almost entirely a result of the wartorn nature of the country.

Coalition statements have emphasised the "hearts and minds" aspect of this battle, claiming that the objectives are to eliminate al Qaeda but to merely "degrade" the ability of the Taliban to resist, to encourage a "less hardline element" of the Taliban to defect to the coalition, to preserve the property of the civilian population and to minimise civilian loss of life. Yet within one day of the assault commencing, a story emerged of the killing of a family of twelve in a rocket strike. Originally it was reported that the two rockets had gone off-target and struck the wrong building, some hundreds of metres from the intended target. Later an alternative version of the story emerged that Taliban fighters had fired from that building using human shields to deter return fire. Which story is true may never be known, but the reality is that it will be impossible for the US to emerge from this battle without civilian blood on its hands, and it is unlikely that the real civilian death toll will ever be accurately known.

The real reason for the battle in Marjah is probably in fact the version explained by the US's



highest ranked officer in charge of operations in Afghanistan, General Stanley McChrystal. McChrystal has been the architect of the new policy in Afghanistan, a strategy of undermining the Taliban through policies intended to provide jobs and services to cleared areas and handing over authority to Afghan administrators. "We've got a government in a box, ready to roll in", he announced, describing the process by which power would be handed over to local leaders. The US strategy is to seize the ground, but then hand it over to the US compliant Karzai administration.

The Marjah fighting has been described as a battle for the headlines as much as for territory. "What Marjah is really about is turning around the perception that we're losing", stated one of McChrystal's aides. It is believed that most Taliban fighters had already left before the assault began; taking the town was never going to be in doubt. As John McCreary, a former intelligence analyst for the US joint chiefs of staff has said, "Nothing in the past eight years of combat supports the notion that the Taliban are suicidal fools".

Nothing about the current fighting in Marjah suggests that the US is any closer to defeating the Taliban. Here in New Zealand, we need to keep up the demand that NZ soldiers, bot the SAS and other Armed Services personnel be withdrawn from Afghanistan and the country left for the Afghan people themselves to develop and rule.



Can students be radical?

The following article is extracted from a talk given at a Workers Party forum at Canterbury University in October, 2006, by Philip Ferguson. The article reprinted here originally appeared in an earlier edition of *The Spark* that was published on October 12, 2006.

For many people, especially on the left, the answer to this question is an unqualified "yes". They might agree there is not much happening on the campuses in New Zealand right now, but point to big protests and even occupations over the past decade over issues like fee rises.

However, if we think more deeply about the question, the unqualified "yes" tells us more about the studentist politics of much of the left than it answers the question.

To be radical means to go to the root, to deal with the core problems of the existing society and work out a strategy to solve those problems by doing away with the system that causes them.

When looked at in this light, how do student protests over purely student issues challenge the existing order? Indeed, how do they even shed light on how university education is possible in the first place and the connection between the existence of university education and the exploitation of the working class?

Beyond appearances

At the base of most student protests over issues such as fees is the students' idea that they pay for their own education. On the surface this seems plausible. Students pay thousands of dollars in fees and have to borrow money to do this. Indeed, many students have to borrow money for living expenses as they are not covered by a student allowance and/or because it is not sufficient.

But the reality of who pays for university students' education is very different from the surface appearances. In fact, it costs about three to four times as much to educate each student at university each year as what students pay in fees. Even with the implementation of "user pays", university students still only pay about a quarter to a third of the cost of their tertiary education.

So, who does pay?

Well, tertiary education is possible in capitalist society because there is a working class, a class which creates more wealth than what it is paid in wages. This surplus created by the workers takes the form under capitalism

of surplus-value, a value over and above the combined value of the workers' labour-power and the value of the machinery and raw materials used by the workers.

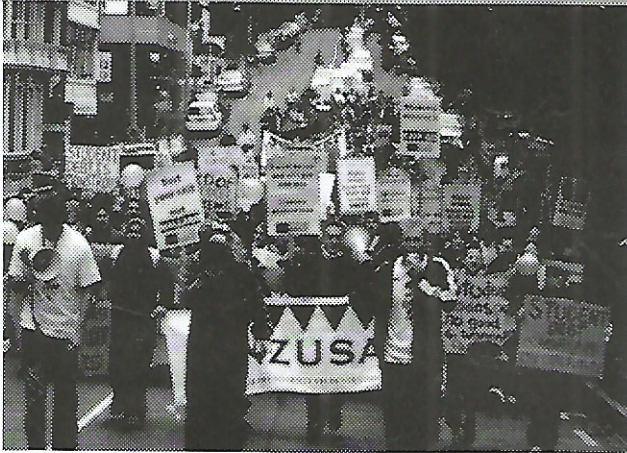
This surplus-value is in the hands of the employing class, the capitalists, since they own the means of production and hire the workers. But part of this surplus-value is taken by the state and then used to fund services necessary to society, such as health and education, and services necessary to capitalism such as the police, army and courts.

In other words, university students' education is funded primarily out of the exploitation of the working class. Students, of course, come primarily from the middle and upper classes and their degree qualifications are to allow them to gain entrance into the middle and upper sections of society.

Workers fund education

Like exploitation generally, this was very clear under feudalism. Back then, peasants worked a part of the year for themselves and part of the year for their local baron and, out of the surplus created when they worked for the baron or other local overlord, came the wherewithal to fund the state. Part of the peasants' subsistence produce was also taken in the form of state taxes and by the church in the form of tithes. The universities which emerged in Europe in the Middle Ages, a product of European scholars visiting universities in the Arab and Islamic world, were attached to monasteries and funded out of the tithes and other parts of the surplus product (and subsistence) of the peasants.

It was very obvious to the small section of society that went to these universities where the social product came from that enabled their further education. In capitalist society, however, this process is more hidden, as the worker sells her or his labour-power at or around its value to the capitalist and then produces a surplus in the form of surplus-value. Their working time is not divided into two separate and clearly-visible parts of the year. Instead, they are involved in a single labour process during which they simultaneously produce the value of their own existence and a surplus-value, which forms the basis of capitalist profit and government



Students of Victoria University demonstrate against student debt .

spending.

So, if we understand how university education is funded in class societies, and in particular how it is funded under capitalism then in and of themselves, student demands for more subsidies for their education are not radical. They are essentially demands that a greater chunk of the surplus-value created by the exploitation of the working class should go to fund the education of the middle and upper classes. (In this sense, university education is different from secondary education and from public health, as these are used by everyone regardless of class.)

Needless, to say the studentist left doesn't tell students these facts because they fear it would get in the way of recruiting students on lowest common denominator politics. By contrast, the Workers Party attempts to explain to students how their education is funded and to get them to enter into reciprocal relations with the working class. We say, given that the working class funds most of university students' education, the least that students can do is support workers in struggle.

We believe that saying this won't win us popularity contests among all students, but it will attract the genuinely radical students to us. The students who just want more for themselves will go on to yuppie futures, screwing over the working class, but the students who understand who really pays for their education have understood something fundamental about the operations of capitalist society and can become genuine radicals.

Does the fact that university education in capitalist society is funded out of the exploitation of the working class mean that Marxists favour fee rises and making students pay the full cost of their education, as happens in many American universities where students may pay up to \$50,000 a year in fees?

No, not at all. For instance, in a socialist society,

university education would be free and entirely funded out of the social surplus produced by the society as a whole.

In a socialist society, workers would not be exploited. They, as a class, would own and control the means of production. They would work the 20 or so hours a week which was necessary to produce the goods they needed in order to live and they would likely decide to work some extra hours to create a surplus to fund free public health and education and whatever other public services were necessary.

With a much-reduced work-week and a huge surplus, because none of it would be going into capitalist profits, many workers would be able to avail themselves of the opportunity of going to university. Although the studentist left often argues that existing fees prevent people from working class backgrounds going to university, this is not really the case; what prevents workers from going to university is the fact that capitalist society requires most people to work 40, 50 and more hours a week, without which there would be no private profit for the capitalists. The problem is structural to capitalism, not a product of current fee levels.

In a socialist society, study and work may well be combined. Students might do socially useful work while at university in exchange for their free education. They might, after graduating, go and work for a while in rural areas or in poor parts of the world, assisting development there.

The key thing is that, in either a capitalist or socialist society, there is some kind of quid pro quo. In other words, if workers are creating the surplus that funds university education, the students who benefit from this owe something back to the class that has made their tertiary education possible (under capitalism) or the society that has made their tertiary education possible (under socialism).

In the 1960s, the most politically-advanced students understood the connection between their education and the exploitation of the working class. They continuously tried to link up with the exploited classes, rather than only concentrating on campus issues.

Radical students link with workers

In many Third World countries students who became radical went out of the campuses and put their skills at the service of the workers and peasants. They helped organise in factories, in poor neighbourhoods and among peasants, working to establish radical unions, workers' and peasants' militias and revolutionary movements.

In the capitalist heartlands, radical students joined with workers in challenging the system, most famously in France in May-June 1968 where a worker-student upsurge brought the country to the brink of revolution. In the United States, students used the universities as organising centres for building a mass movement against Washington's barbaric war in Vietnam.

Across the world in the 1960s, genuinely radical students demanded a different kind of university – a university whose resources were used not to train the next generation of managers and scientists for capitalism but whose resources were used to fight for a different kind of world.

That understanding is largely absent today. The studentist left indulges and patronises students by patting them on the back for protesting about narrow student issues and for wanting more for themselves. It romanticises the degree to which any student action is radical. Even when the most pampered and reactionary

students throw a tantrum over a non-political issue because, like the classes they largely come from and are going into, they always expect to get their way, there will be someone on the left to talk up the 'radicalism' of the 'action'.

By contrast, we try to focus students on the working class. For instance, we encourage student members to become volunteer organisers for the Unite trade union which is organising fast food and other low-paid workers.

The only way students can be radical, in any meaningful sense of the term, is by challenging the very system of exploitation which underwrites their own privileged position. By putting their skills at the service of the working class, whose exploitation makes universities possible in capitalist society, they can prove themselves worthy of free tertiary education and make an alliance with the only force in the world that can actually bring about free access to higher education for everyone – the working class.

Students occupy Sussex University

Last month, on February 8, over 100 students at Sussex University in South East England marched up to the top floor of the university's prestigious Bramber House conference centre and staged a "flash occupation". They marched out 30 hours later, promising more actions to come in the future. The occupation was part of the Defend Sussex Campaign, an ongoing fight by students and staff at Sussex against savage cuts that the

university is planning. The cuts amount to £3 million this academic year, and £5 million next year, meaning course closures, job losses and fee increases. However at the same time as proposing these cuts, the university administration is planning to spend £112 million on new buildings and refurbishments on campus, as well as raising the salaries of the top 14 managers to a combined £2.1 million per year.

Bin workers in Sussex, who had recently been on strike against cuts that they were facing themselves, got in touch with the occupiers to pledge their support. The students released a statement on the day of the action acknowledging the waves of university and workplace occupations sweeping across California, New York, Greece, Croatia, Germany, Austria and elsewhere:

"We send greetings of solidarity and cheerful grins to all those occupation movements and everyone else fighting the pay cuts, cuts in services and jobs which will multiply everywhere as bosses and states try and pull out of the crisis.

But we are the crisis.

Profitability means nothing against the livelihoods destroyed, lost homes, austerity measures, green or otherwise. We just heard we've increased 'operational costs' – they'd set out the building for a meeting and now they'll have to do it again.

We'll show them "operational costs."

Occupy again and again and again."

'NO CUTS ANYWHERE.'

'THE UNIVERSITY IS A FACTORY. STRIKE. OCCUPY.'

-All the occupiers of the 8th of February.

To learn more, go to <http://defendsussex.wordpress.com>



From Occupation to Resistance: Interview with an Israeli peace activist

Anti-Zionists in Wellington recently ran an exhibition featuring work by photography collective ActiveStills, this exhibition highlighted the affect occupation has on Palestinians. The *Spark* contributor Ian Anderson interviewed Kerem Blumberg, an Israeli peace activist and co-runner of this event.

The Spark: How did you have the idea to hold this exhibition?

KB: Well, a lot of the photographers from ActiveStills are friends of mine in Israel. The idea was to show the NZ public images of daily life under occupation in Palestine, alongside resistance by Palestinian, Israeli and international activists.

The Spark: Have you had good feedback?

KB: Really good feedback. The photos moved people, and the texts were easy to understand. We raised about \$400.

The Spark: How did you get involved in peace activism?

KB: I started going to demonstrations in high school, back in Israel. During the first Intifada there were riots throughout the West Bank, Gaza and in Israel. These were severely repressed. As a reaction to the Intifada, Jewish protesters attacked a mosque near my house, throwing stones at it. So I guess it was a time when you had to start figuring out where you stood.

The Spark: Who benefits from the occupation?

KB: The Israeli government, employees of the government and army, arms companies everywhere in the world, and companies that invest in the occupation. Also surveillance and security companies, in a big way.

The Spark: Do many Israelis get involved in anti-Zionist activism?

KB: Not really. Though people are more likely to get involved at a younger age, because they have to decide

whether to join the army.

The Spark: Do you ever find there are points of difference or conflict when Israeli and Palestinian activists work together?

KB: Wouldn't say conflict, but there are differences. People from my background tended to be secular, a lot



An item from the Israeli photography exhibition, *From Occupation to Resistance*, held in Wellington.

of anarchists. Whereas we'd be going out to Palestinian villages, where religion and gender divisions were a lot stronger. We'd have to dress modestly in the villages. There were also language barriers; it tended to be only men who talked Hebrew, because the men went to work in Israel.

The Spark: Do you face much pressure from the Israeli community in New Zealand?

KB: In New Zealand, I haven't really come into contact with much of the Israeli community. But in Israel you definitely get harassed.

The Spark: Do you have any thoughts on the media

coverage here and in Israel?

KB: It's quite different. A lot of the coverage in New Zealand is very out-of-context. In Israel it's covered from all directions – there are left-wing journalists such as Amira Hass and Gideon Levy. During wartime though, there's a lot of censorship in Israel, so people get a very distorted idea of what's happening.

The Spark: What needs to happen, in order to bring peace to Palestine?

KB: Education, particularly anti-racist education. Israelis have to be willing to lose some privilege, and acknowledge everyone's right to land and freedom.

The Spark: And in terms of the state?

KB: In order to achieve peace, the Israeli government would have to be dismantled. Though that's not going to happen anytime soon.

Occupation and Resistance showed from February 2nd to 7th in Thistle Hall, Wellington. Look out for future showings in Dunedin and Auckland.

Support Workers Party's PFLP solidarity campaign

Support Workers Party's solidarity campaign with Palestinian resistance and the Popular Front for the Liberation of Palestine. Order a PFLP T-shirt (shown below) today.



order on-line at:

www.workersparty.org.nz

Nepal: Revolution at the brink

Alastair Reith

"The People's Democratic Revolution in Nepal is now passing objectively through a gateway of great victory accompanied by a danger of serious defeat... the Unified Communist Party of Nepal (Maoist), has arrived at a serious and extraordinary juncture of possibilities and challenges... it is apparent that the forces of revolution and counterrevolution are going ahead towards the direction of decisive confrontation... Only by remaining united can the proletariat and the revolutionary masses, after completing the historical task of democratic revolution, open the way to go ahead towards socialism and communism." - From the recent Unified CPN (Maoist) political document "Present Situation and Historical Task of the Proletariat".

In January 2009 the Spark carried an article entitled "Nepal: A revolution in progress", which began with the following words;

"Ever since the destruction of the Soviet Union, the capitalist class has told us that communism is dead. We are expected to believe that this is as good as it gets, that the inequality and oppression inherent within the capitalist system will be with us forever and there will be no more revolutions. The ruling class declared the end of history. Unfortunately for them, the people of Nepal have decided not to listen.

A communist revolution is unfolding in Nepal, a

small Himalayan country just to the North of India. Led by the Communist Party of Nepal (Maoist), the workers and peasants of Nepal are rising up and challenging the feudal oppression they face in their daily lives, and the neo-colonial domination they face as a nation."

Now, over a year later, the revolution in Nepal is fast approaching the point of a decisive confrontation between the Maoist-led revolutionary forces and the forces of imperialist domination and counter-revolution.

The Maoists waged a decade long armed struggle to overthrow the monarchy from 1996 to 2006. In 2006, mass protests toppled the King, and the Maoists signed

NEPAL

a peace treaty. They took part in the elections held in 2008 and won a landslide victory, more than doubling their closest opponents and winning 40% of the seats in the Constituent Assembly. They then formed a coalition government with a variety of other smaller parties. However, of all these parties the only one interested in radically transforming Nepali society was the Unified Communist Party of Nepal (Maoist).

After the chief of the military, General Katawal, refused to obey the civilian government's orders, the Maoist-led coalition moved to dismiss him. However, despite the legitimacy of the government's action even by capitalist legal standards, Nepal's President Ram Baran Yadav used his position, which was supposed to be largely ceremonial, to override the sacking and ordered Katawal to remain in his position. President Yadav is from the opposition Nepal Congress Party, chief party of the reactionary feudal forces in Nepal.

Outraged at this, Prachanda resigned as Prime Minister on the 4th of May, labelling Yadav's move a "presidential coup." Prachanda said he "will quit the government rather than remain in power by bowing down to the foreign elements and reactionary forces". The Maoists left the government.

A new government was formed out of a shaky coalition of 22 parties, united around nothing more than opposition to the Maoists and to social change. A politician named Madav Khumar Nepal became Prime Minister. The new Prime Minister was beaten not once but twice in two separate constituencies during the



elections, and both times by Maoist candidates. He and the party he represents were clearly rejected by the Nepali people, but this didn't stop the ruling class from imposing him on the people anyway.

As usual, the hand of Indian expansionism could be seen. The Maoists had made a very clear point of

moving Nepal out of India's sphere of control, and had made efforts to develop a new relationship between the two nations based on equality. Traditionally the first overseas trip a Nepali PM makes is to New Delhi to seek the approval of his Indian masters, but Prachanda broke with this, travelling to India's rival China and negotiating several diplomatic agreements with them. There is a long history of India bringing down any Nepali government that tries to do this, with the 1989-1990 blockade being a perfect example of this. Most significantly of all, the Maoists had declared their intention to review and if necessary withdraw from the unequal treaties signed between India and Nepal. New Delhi was not going to tolerate this sort of insubordination.

After leaving government, the Maoists launched a massive and ongoing campaign against the presidential coup. Declaring that the military was not subject to civilian control and that until this changed Nepal could never be transformed for the better, they began a campaign of protests, strikes and demonstrations against the military, the 'Indian puppet government' and for 'civilian supremacy'. The Maoist slogan of civilian supremacy and the struggle both for and against it has defined Nepali politics for the past year.

Since leaving government, the Maoists have launched and successfully concluded four massive waves of protests. A fifth is about to begin. The first wave followed immediately after the resignation, with street demonstrations, strikes, and door to door awareness raising actions. From the fall of their government up until the beginning of 2010, Maoist members of parliament staged protests in the Constituent Assembly and prevented the house from sitting. Every time the parliament attempted to hold a session on anything, Maoist CA members stormed the stage and chanted slogans against military supremacy. The Maoist demands are not extreme – all they want is for the issue of civilian supremacy to be debated in the assembly, and for the President to apologise and admit his actions were wrong. They have a wider set of demands including the formation of a new national government under their leadership and the review of all unequal treaties with India, and they continue to push their general programme of land reform and radical social change, but their most basic demand for a debate about the issue of whether the military should have to obey civilian authority has been consistently refused by the government.

Their protests have rocked the nation and displayed the level of support they still hold among the

NEPAL

masses. They staged sit-in demonstrations around all the government offices in the country, including the state headquarters in Kathmandu. They have mobilised hundreds of thousands for torchlit marches and mass rallies in the urban centres, and they have called a series of rolling general strikes including an all-Nepal general strike. There have been several waves of land seizures carried out by their organisations of landless and poor peasants, and they staged a series of demonstrations along the border with India in protest at Indian intervention against their movement. Last year, they unilaterally declared thirteen autonomous states across Nepal for the oppressed nationalities such as the Magar people, the Sherpas, the Madhesis and so on. They have launched a major campaign against Indian domination of Nepal, declaring their main enemy to be 'Indian expansionism' and that the struggle for civilian supremacy cannot be won without also winning the fight for genuine national independence. In short, the Maoist movement continues to grow and while they have been flexible, in some cases calling off protests to allow for further negotiation, they refuse to compromise on their core demands.

These protests are about more than just the slogans they are called under. Thousands of people have learned how to march and manoeuvre against the police in the streets of Kathmandu, and the Maoists are using these as dress rehearsals for the decisive

insurrection to come. They are displays of strength, and a way for the party to gauge its level of support amongst the masses.

Events are moving quickly. The Constituent Assembly was formed for one purpose, the writing of a new constitution, and the deadline for this constitution to be written is May 28th 2010. There are no clear guidelines in place for what will happen if the deadline passes and nothing has been prepared. At the very least, all existing government structures and certainly all positions such as Prime Minister, President and so on will be called into question. The government ministers were appointed on the basis of votes taken by members of the Constituent Assembly, which will have outlived the period it was supposed to exist for once the deadline passes. Right wing forces in Nepal have been calling for Presidential rule backed up by the military.

The Maoists have promised that if the deadline passes and a 'People's Constitution' is not passed, they will launch a revolt. The world hasn't seen a successful communist insurrection in a very long time. It's in sore need of one, and this could be it. If you are inspired and filled with hope by the sight of millions of poor and oppressed people casting off their chains and standing up to seize control of their destinies, keep your eyes on Nepal. It's on the road to revolution.

Speaking tour: Australian activist Ben Petersen presents an eye witness

account of the revolutionary situation in Nepal. **Tour dates and contacts:**

Auckland: Daphna Whitmore, wpmz@clear.net.nz.

Sunday 21 - 2pm @ the Trades Hall, 147 Great North Rd, Grey Lynn.

Monday 22 - 1pm @ the Funtion Room (over Quad Café), Auckland University.

Tuesday 23 March - Hamilton (day): Jared Philips, jared@unite.org.nz, 029-4949-863

1-2pm (followed by discussion) @ SUB G.20 (Guru Phabians Room), Student Union Building, Waikato University.

- Rotorua (evening): Bernie Hornfeck, bernieh@clear.net.nz, (07)345 9853

Wednesday 24 March - Wellington: Alastair Reith, alastair.reith@gmail.com,
027-711 9591.

Thursday 25 March - Dunedin: Andrew Tait, andrewmtait@hotmail.com, 027-6069549.

Friday 26 March - Christchurch: Phil Ferguson, philp.ferguson@canterbury.ac.nz,
021-443 948

National co-ordination/publicity - Vaughan Gunson, svpl@xtra.co.nz, 021-0415 082.

Dates may change, check www.workersparty.org.nz for details.

Understanding GST and tax policy

Philip Ferguson

At present John Key and National are floating the idea of raising GST (goods and services tax) from 12.5% to 15 percent, while lowering income tax for all and also reducing company taxes. Key and his pals present this approach - lowering direct taxation and increasing the tax on consumption - in a populist way, as if it would benefit workers. Key has added that the Working for Families package could be increased, along with some other measures, to help offset any losses for lower-waged workers and the minimum wage has been increased (minimally) by 25c an hour. Once again, there is nothing for beneficiaries.

This article consists of three parts – in the first part we'll look at indirect tax, most specifically GST; in the second part we'll look at direct tax, both PAYE and taxes on companies and profits; and, finally, we'll look at why National is considering upping taxes for some capitalists, notably those in the property market.

GST

The first thing to note about GST is how it affects people on lower incomes the most.

GST was introduced into New Zealand by the fourth Labour government, back in 1986. At the time it was set at 10 percent. Whereas a similar tax in Tory-ruled Britain, VAT, excluded basic family items, the only things Labour here excluded from GST were financial services, real estate transactions and the operations of very small firms. The low-waged and beneficiaries were to be especially screwed over by it.

The imposition of GST significantly raised the level of indirect taxation. The proportion of government income derived from indirect tax rose from 22.5 percent before GST to 33.2 within just the first two years of the new tax. In 1989, Labour increased GST to 12.5 percent and extended what it covered, leaving exempt some financial transactions, incomes from rental accommodation property and businesses with turnover less than \$40,000.

Victoria University economist Bob Stephens has pointed out the overall effect in the 1980s of the partial replacement of income tax by indirect tax. Between 1982 and 1988, "effective average tax rates including GST for couples on average earnings with two dependents increased from 18.7 percent to 24.1 percent. Average tax rates for similar couples on three times the average income declined from 40.3 percent to 34.9 percent." So we can see that indirect tax means the wealthy pay less of their income in tax while workers, especially the poorest, have more of their income taken in tax.

This becomes even clearer if we compare

someone on the dole with a top company CEO. If an unemployed person is getting \$200 a week on the dole and they buy something which costs \$100 plus GST, then they are paying \$12.50 in indirect tax and this is 6.25 percent of their total weekly income. If a top CEO on a \$3 million a year salary buys the same item for \$100 and pays the same GST, her or his indirect tax payment only makes up about 0.0002 percent of their weekly income!

When GST is accompanied by reductions in direct tax – income tax, in particular – then it's not hard to see why the rich favour an indirect tax such as GST.

However, there is another vital aspect to the proposed series of changes in the tax system, whether GST or direct tax is involved.

Workers' labour-power under capitalism becomes a commodity and, like all other commodities, its value is determined by the socially necessary labour that goes into creating it. Basically, this means that the value of workers' labour-power is the value that is required to house, cloth, feed and otherwise maintain the worker in a sufficient state to turn up to work each day to produce profits for the employers. If that value translates into \$500 a week, this is the value of the worker's labour-power and will be roughly reflected in the wage. The worker, however, can create a value much greater than this – say a thousand dollars worth of goods or services. The extra \$500 is surplus-value, and in the hands of the boss. (To simplify matters, I'm disregarding the part of total value that comes from the use of machines and raw materials, rather than adding that on to the \$1,000.) In good times, and with strong workers' organisation, the tax on workers' wages (PAYE) has to come out of surplus-value and therefore lessens the amount of surplus-value that the boss can convert into profit.

During boom periods, the bosses are OK about this because they have so much surplus-value and they are prepared to buy peace with the working class. However, when capitalism goes into slump, the

capitalists want to cut down on anything which reduces the amount of surplus-value they can convert into profit. They do this in a number of ways – eg, by cutting government expenditure on health and education, since this is financed out of surplus-value, and by shifting tax from being a deduction from surplus-value into being a deduction from the value of labour-power. Indirect tax is a useful weapon for doing this.

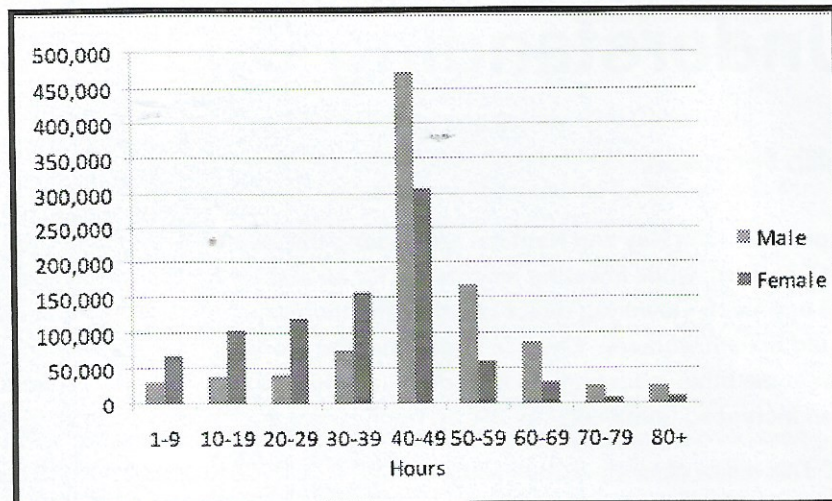
Now, instead of the worker getting the \$500 value of their labour-power per week and, say, \$150 income tax coming out of the \$500 surplus-value, there may be only \$100 direct tax coming out of the \$500 surplus-value and \$50 indirect tax coming out of the worker's \$500 wage.

What has happened is that the worker's share of the \$1,000 has fallen from \$500 to \$450, while the bosses' share has risen from \$350 to \$400, and the government continues to get \$150.

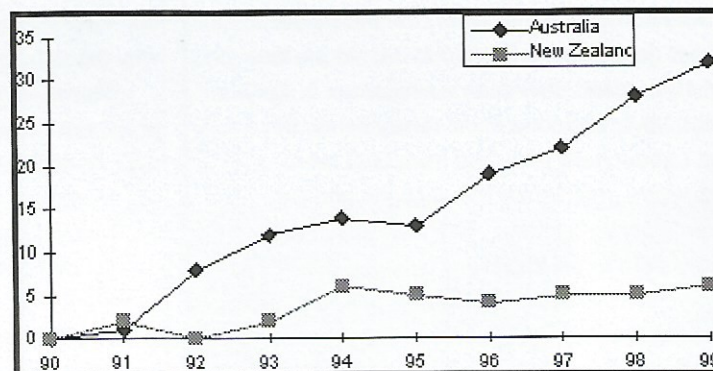
Moreover, GST allows the bosses to immediately pass on costs. In this sense, it doesn't really cost the bosses anything. If they pay GST on some item they need for their factory or office, that cost is factored into the cost of their finished product. A product costing \$100 plus \$12.50 GST, making a total of \$112.50, will now simply cost \$115, because the GST has risen by \$2.50. Workers, on the other hand, cannot simply 'factor in' GST to their incomes, because they don't set the price of their labour-power. You can't turn up at the job and tell the boss that you're now charging him an extra 2.5% for your capacity to work. Or, in the case of beneficiaries, turn up at WINZ and tell them they have to pay you an extra 2.5%.

Demystifying tax cuts

To many people increasing GST while lowering direct forms of tax seems like taking with one hand and giving back with the other. So, why bother? Especially when National is not just cutting company tax and income tax



A majority of New Zealand workers work 40 hours and more a week – longer than in the 1960s for a lower standard of living; yet making workers work harder and harder and longer hasn't solved NZ capitalism's productivity problems.



Labour productivity, Australia and New Zealand; the above chart appears in Phil Teece, "In pursuit of the flexible workplace", *Australian Library Journal*, vol 50, no 4. The Employment Contracts Act encouraged NZ capitalists to make workers work harder and longer rather than invest in new technology and machines to make workers more productive. This lifted profits in the short term but undermined NZ capital's global competitiveness in the longer term.

for the wealthy, but everyone's income tax.

There are two main reasons why the capitalist class and their parties, whether National or Labour, favour tax cuts: one is to do with the actual workings of the capitalist system and the other is to do with capitalist ideology and its role in social control.

The first issue is bound up with the workings of a

capitalist economy such as New Zealand. As we've noted above, under capitalism workers are paid less than the total value of the commodities which they produce. The rest is surplus-value, which is converted into profit by the capitalist.

However, each capitalist does not get back the full surplus-value produced by their workers. Some of it goes to other capitalists – bankers, landlords and so on – and some of it goes in tax to the government. This latter includes company tax, individual capitalists' taxes and the pay-as-you-earn tax of their employees.

The less total tax is paid, the more surplus-value there is to be converted into private profit for the capitalist. This includes cuts in the tax on workers, since tax on workers in developed capitalist countries like NZ generally comes out of surplus-value. So tax cuts, including for workers, reduce the drain on surplus-value for the capitalist.

Of course, this also means less money for the government to spend on public services, services which often benefit workers since they can't afford to pay for private health, education and so on. The money spent on public services is often called the 'social wage'. So, with tax cuts, the workers get more money in the hand, but end up losing part of the social wage.

When workers' wages have been held down the way they have in New Zealand in recent decades, workers will often be keen to get any kind of increase in income. Workers see and experience immediately more money in the hand and may not think about the potential loss of part of the social wage.

So employers prefer tax cuts because they don't cost them anything, and then, on top of this, they get the biggest tax cuts anyway.

By contrast, workers' wage rises cut into the surplus-value of their exploiters. Wage rises mean that part of the surplus-value which they have produced is returned to them at the expense of their exploiters, rather than at the expense of government social spending.

On the ideological side, there is also a good reason why the ruling rich prefer tax cuts. Capitalist society is divided into two major classes – an exploited class (workers) and an exploiting class (employers). Although the employers are very aware of this – and they use a whole armoury of legislation to maintain their position – they don't want workers to think in class terms. That might lead to workers waging a serious class struggle for the ownership and control of all the wealth working people produce.

Rather, the capitalists want everyone to think that we all belong to the same social group. We are all merely 'consumers' or we are all really 'taxpayers' (or

both). Indeed when leading 'new right' politician Roger Douglas set up his own political party in the early 1990s, he called it the 'Association of Consumers and Taxpayers' (ACT), instead of the Association of Capitalist Exploiters (which is what it really stands for).

The idea of low prices and low taxes promotes this kind of consciousness, as against workers' class consciousness. Of course, what Warehouse-level prices mean in a capitalist economy is subsistence wages for workers in China and other places that the Warehouse imports commodities from. And what low income tax and low company taxes mean in a capitalist society is high indirect tax – Roger Douglas, after all, was the architect of GST, a huge tax-gathering mechanism which hits workers hardest – and high prices for a range of services which were once provided for free by the state.

Taxing some capitalists more?

One of the major points of discussion about tax in recent months has been about increasing tax on property investments. Why would National, traditionally the party which was most upfront about arguing in favour of private enterprise, be talking about this? And, after all, Labour in its recent nine-year spell in office never seriously floated the idea.

The answer to this is that the biggest problem facing any capitalist government in New Zealand right now – and by that we mean any parties in government who are managing NZ capitalism – is the level of productivity growth here in recent years, in fact, pretty much ever since the Employment Contracts Act (see graph of NZ and Australian productivity growth). Sluggish productivity growth undermines the competitiveness of NZ Capitalism Ltd globally. It produces a rather stagnant, low-wage economy, with unsustainable booms in the financial sector and other parts of the economy which don't produce surplus-value.

The gains in productivity that can be made by simply making workers work harder and longer – the main form of productivity gain introduced under the fourth Labour government in the 1980s and continued in the early years of the fourth National government in the early 1990s – appear to be exhausted. Yet New Zealand capitalists remain relatively reluctant to follow the other path to more substantial productivity gains – namely, substantial investments in new plant, machinery, technology, research and development. As long as large profits can be made out of the artificial economy – and making profits is the bottom line – many NZ capitalists continue to invest there. Yet profits in the artificial economy exist through sucking

surplus-value out of the real economy and keep the real economy sluggish. The artificial economy, precisely because it is artificial – ie it doesn't produce surplus-value and is based on paper values that rise far above the real value contained in its products – is especially prone to boom-bust cycles. And busts in the artificial economy leave debts which still have to be paid, sucking further surplus-value out of the real economy and making the real economy even more sluggish.

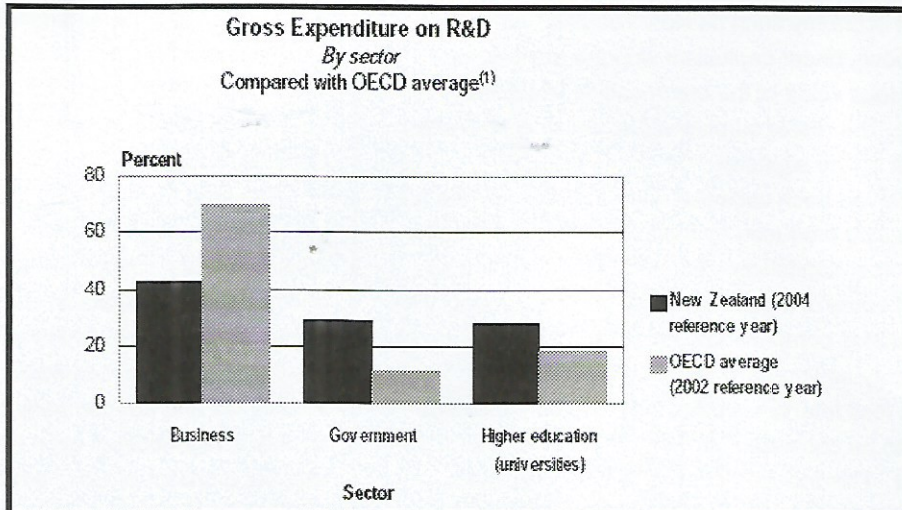
John Key and Bill English and their chief financial advisors are

well aware of the problem. That's why they are looking at measures that force investment out of the artificial economy and into the real economy. The simple fact is that the market doesn't work particularly well when left to its own devices. The capitalist state is essential for regulating not only class conflict and maintaining social stability, but also for regulating capital flows and managing a chaotic system.

Given that many property investors and speculators currently support National, it may be hard for the Nats to tax the property sector more. On the other hand, Key and English know that they have to force investment out of the artificial economy and into the production of new, expanded surplus-value.

Either way, however, the workers lose. Investment in the artificial economy leads to job losses in the real economy; investment in the real economy means that workers create more and more value while receiving proportionately less of it in the form of wages, even when wages rise. And rising wages would still be offset by an increase in GST.

For workers, even when the system gives with one hand (wage rises), it takes away with the other (GST and price rises). The only way out is for workers to take control of the economy and plan investment, production, distribution and exchange on the basis of what we need to have a good and secure life.



Source: Statistics New Zealand, *Research and Development in New Zealand 2004*, p4. Public institutions (government and higher education) contribute more to R&D in NZ than the private sector, especially since a chunk of government spending on R&D (eg crown enterprises) is counted under the heading "Business". This is the reverse of the OECD average – across the OECD the private sector contributes more.

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Why you should join the Workers Party



1. We are revolutionary socialists

We all live in a capitalist society – which means that the working-class majority experience exploitation and poverty in order to guarantee profits and luxury for the ruling-class minority.

The capitalists have many weapons at their disposal – not just the army, police, courts and prisons, but a *system of ideas*, developed over centuries, that shape people's beliefs about what is normal, natural, and possible. These prevailing ideas tell us that we can do no more than tinker with the current system.

However, the current economic crisis shows more clearly than ever that society must be radically reorganised if it is to serve the interests of the working-class majority.

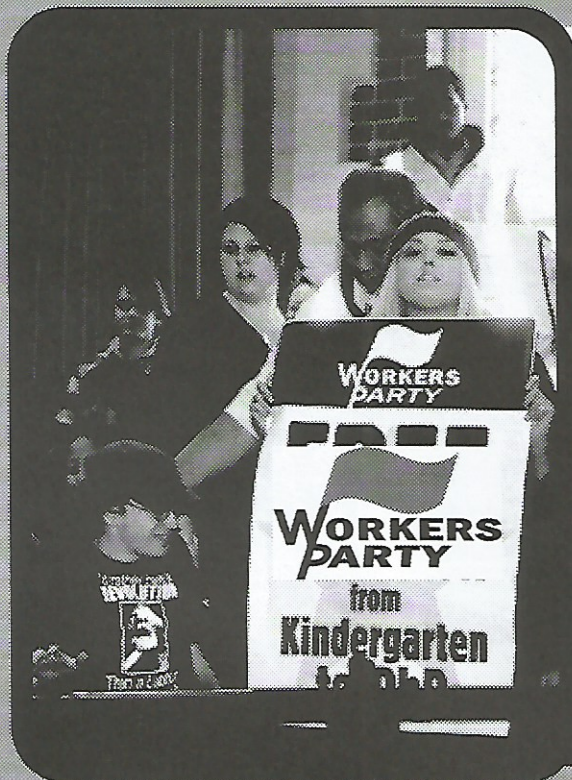
To challenge the entrenched power of the ruling class, workers cannot rely on parliament or parties like Labour, which support the existing system. We need to build a movement which can develop alternative, anti-capitalist ideas to create a revolution.

2. We support workers' resistance

The fundamental basis of our politics is class struggle. For us, socialism – a society in which the means of producing wealth are owned collectively and run democratically for the benefit of everyone – can only come about when we, the people who produce the wealth, liberate ourselves from capitalist exploitation.

The Workers Party does everything it can to support all workers' struggles – from the smallest work stoppage to a full-on factory occupation – as these are the basic forms of resistance to capitalist rule. As workers start running their workplaces and industries on their own, they will start to ask, "Why can't we run the whole country – and more?"

We take inspiration from historical examples of workers' control such as the Paris commune and the Russian revolution, and study their successes and failures.



3. We support trade union activism

Because we believe that only the working class can create socialism, we are active in the basic organisations of the working class, the trade unions.

Currently, unions are generally dominated by middle-class bureaucrats who see themselves as peacemakers between workers and bosses. We work towards transforming unions into strong, democratic, fighting organisations, controlled by their members. Such unions will mobilise workers for struggle in the workplace and society through strikes, workplace occupations and other forms of militant action. In an economic crisis they are more important than ever.

We join in the struggle to extend the union movement to the majority of workers who are not yet organised, especially the campaigns by Unite Union to involve youth and workers who have insecure conditions.

We stand with workers in struggle for better rights and conditions, and initiate discussion on revolutionary ideas through strike bulletins and electronic media.



4. We support student-worker solidarity

On campus and in schools, Workers Party members are actively trying to rebuild the radical student movement. We oppose fees, demand living grants for students, and fight for free speech.

We encourage students to link their struggles with those of the working class. Workers ultimately pay most of the bill for education, even in a semi-private university system such as we have. Workers will be won to the idea of free education from kindergarten to university if they see students willing to support their struggles.

5. We have an internationalist perspective

Workers all over the world have far more in common with one another than with the bosses of "their own" country. To fight effectively, workers in every country must support the struggles of workers in every other country. This is what we mean by internationalism.

We are for open borders as the best way to unite the workers of the world. We have been involved in successful campaigns to prevent the deportation of refugees and we urge the union movement to be migrant-worker friendly.

We oppose the reactionary nationalism of campaigns like "Buy NZ-made", and instead advocate protecting jobs through militant unionism.

6. We oppose imperialism

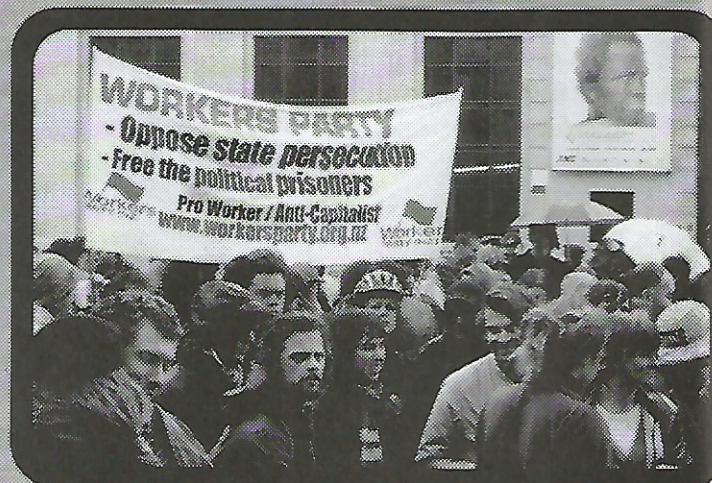
The fight against imperialism is a vital part of the fight against capitalism. Imperialism is the system whereby rich countries dominate poor ones. New Zealand is a junior partner in the world imperialist system. The Workers Party opposes any

involvement in imperialist wars such as those being fought in Afghanistan and Iraq, even if the involvement is under the banner of so-called "peace-keeping".

We demand an immediate end to the interference in the affairs of Pacific Island nations by New Zealand and its ally Australia. We want an end to all involvement in imperialist military alliances and the dismantling of their spy bases. We try to identify the most politically progressive anti-imperialist groups to offer them our active support – for instance, our solidarity campaign for the Popular Front for the Liberation of Palestine.

7. We fight oppression

We are serious about actively fighting oppression based on nation, race, gender or sexuality – here and now, not just "after the revolution". But we believe class is central to all such oppression, and therefore those struggles are linked to the broader class struggle. We support militant direct action by Maori for real equality; conversely, we see the Treaty process as a bureaucratic means to undercut such resistance and nurture a Maori middle-class which will benefit very few.



8. We stand for freedom

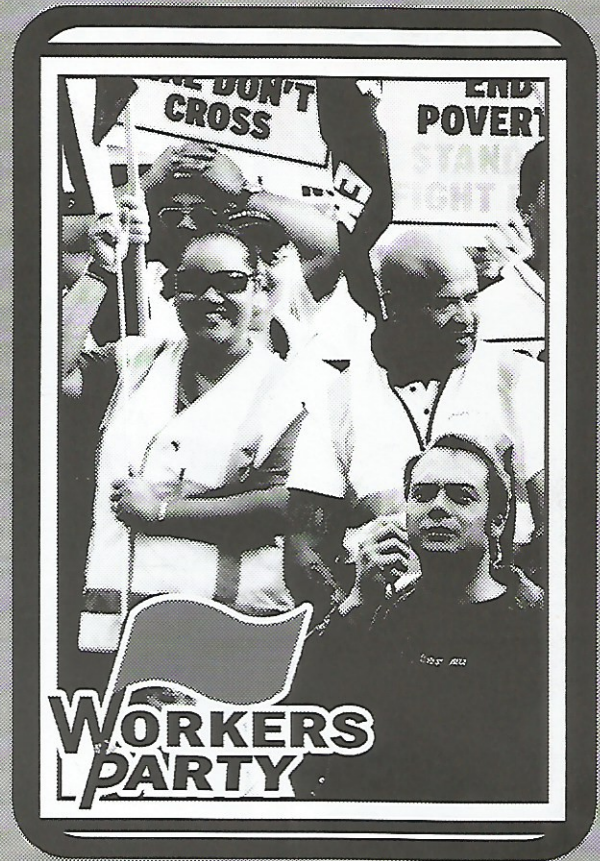
We believe that socialism means the maximum possible freedom for the many not the few. We directly challenge infringements on basic human rights such as the undemocratic use of trespass orders by Universities and employers against activists and trade unionists. We have consistently opposed the so-called "terror raids" on left-wing and Maori activists dating from October 2007.

We also practise what we preach in our own party, where members have the right to disagree and debate their differences, provided they are involved in a basic level of party activity.

9. We hold capitalism responsible for the environmental crisis

The capitalist drive for unlimited profit threatens to destroy the whole basis of life on Earth. In contrast to the capitalist parties (including the Green Party) who demand that workers reduce their living standards for the sake of the planet, we say that it is the capitalist system that must be challenged, since most environmental damage is a result of production, not consumption.

We look to examples of working-class actions like the "green bans" initiated by New South Wales building labourers in the 1970s for inspiration on how workers can change the priorities of society.



10. We are building a revolutionary party

We believe that the working class and oppressed can only achieve liberation as a conscious project, based on ideas which are debated, tested against reality, and constantly reviewed and improved. The working class can only learn from history – including previous workers' struggles, victorious or defeated – through a conscious political movement which preserves these lessons.

To create a mass socialist movement, workers who have already drawn revolutionary conclusions must organise together in a political organisation. This kind of party is still some way off in New Zealand. But we believe that Workers Party activists and our political ideas will be central to that movement of the future. Help us build it now!

Our members and supporters in the trade unions, the student movement, and many other struggles organise together, on the basis of common ideas, as part of a concerted fight for a classless society without oppression or exploitation.

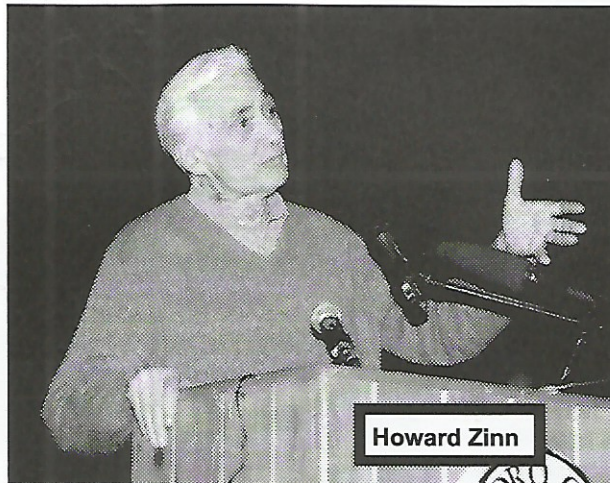
If you agree with our basic ideas, join us. If you don't, work with us, debate with us, and continue the discussion!

Howard Zinn: In memory of a radical historian

Eli Boulton

On January 27th, one of America's most high profile progressive voices passed away. Howard Zinn, the anti-war activist and historian, wrote the first edition of *A People's History of the United States* in 1980 and unlike many radical critiques of conventional history that have been published over the years, his became a bestseller, selling over 2 million copies with many schools and colleges across the country incorporating the book into their curriculum. *A People's History* injected a solid class analysis totally lacking in conventional narratives about US history, discarding the nationalist myth of the Founding Fathers and the Constitution, with the focus instead being on working people, rebelling slaves and farmers, labour radicals and the heavily marginalized indigenous.

Some of the many observations Zinn made in the book include the class origins of America, claiming that the American Revolution against the British occurred so the colonial elites of the time could distract their populace from their own economic problems, a tactic they would often utilize again in the future. Zinn also devotes an early



chapter in the book to the institutional origins of American racism, debunking the myth that racism is a naturally occurring phenomenon produced by a fear of difference. The latest edition of his book goes all the way up to 2003, covering the early years of the imperialist "War on Terror".

Zinn however was no armchair academic, and he practiced what he preached. A long-time veteran of civil rights, civil liberties and anti-war movements, Zinn viewed activism as a natural extension of his radical brand of history. He served as an adviser to the Student Nonviolent Coordination Committee (SNCC), a 1960's civil rights organization that played a major role in the sit-ins and freedom rides so characteristic of the movement at the time.

He was also heavily involved in the anti-Vietnam war movement, writing one of the earliest books calling for US withdrawal in the region, *Vietnam: The Logic of Withdrawal*. As Zinn's contemporary Noam Chomsky noted, "there wasn't even a review of the book. In fact, he asked me if I would review it in *Ramparts* just so that people would know about the book".

In 1963 Zinn was dismissed from his tenured position at Spelman College, Alabama, for siding with his students in their struggle against the school's racial segregation. His struggle with the bourgeois University establishment did not end with Spelman College either. In 1969, he participated in an unsuccessful attempt to persuade the American Historical Association to pass

a resolution against the Vietnam War, resulting in AHA President John Fairbanks wrestling the microphone from Zinn's hands. Zinn was the co-chair of the strike committee when Boston University professors walked out in 1979. After the strike was settled, he and four colleagues were charged with violating their contracts when they refused to cross a picket line of striking secretaries. The charges against the "BU Five" were soon dropped.

Some people have criticized Howard Zinn for letting his politics influence his scholarship, effectively using history as a pedestal for his radicalism and not being "objective". What these critics fail to understand is that you can never be "objective" in such subjects as the humanities and social sciences. By their very nature these disciplines are subjective. Being "objective" in such a situation merely means parroting the dominant ruling class ideology in your work, and as is often said, the victors are the ones who write history. Howard Zinn was acutely aware of this and sought to balance this in favour of the masses, and for that he will be deeply missed.