



Theoretical journal
of the Socialist
Party of Australia

Australian Marxist Review

- ★ *Australian working class movement*
- ★ *Communist trade union work*
- ★ *General crisis of capitalism*
- ★ *Dismantling Victorian State Schools*
- ★ *Communist Movement and Australia*
- ★ *Small business shoots wrong target*
- ★ *Southern African Revolution*

QUARTERLY
NEW SERIES No 15
November 1986
Price 60¢

Australian Marxist Review

Editor: P Symon

Editorial Board Members:

S Anthony

R Gowland

A Miller

B Rooney

**Published by New Age Publishers
for the Socialist Party of Australia
65 Campbell Street, Surry Hills 2010
Phone (02) 212 6855**

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Developments for the Australian Working Class Movement

by J McPhillips

The period since the first election of the Hawke Labor Government, March 1983, has been marked by events both significant and worrying for the working class of Australia and its organisations.

These include:

- ★ The ACTU/ALP Accord and its renewal as the Accord Mark II.
- ★ The serious defeat of some strikes and the imposition of heavy penalties on workers — meat workers at Mudginberri, power workers in Queensland, transport workers at Ansett, confectionery workers at Dollar Sweets.
- ★ The use of strike-breaking labour at Mudginberri and the South East Queensland Electricity Board (SEQEB), and the formation and legal recognition of a break-away union of such labour at SEQEB encouraged by the employer, and helped with financial assistance.
- ★ The development of yet another period of crisis in the economy.
- ★ The Address to the Nation by Prime Minister Hawke in which he announced proposals purportedly aimed at meeting the crisis in the economy but which in fact are aimed at heaping the burden of that crisis onto the workers.
- ★ The reply to that address by the Opposition Leader, J Howard in which he advanced proposals even more detrimental to the workers than those of the Prime Minister.

★ The 1986 National Wage decision of the Arbitration Commission which resulted in a reduction of the purchasing power of workers' wages, a prolonged delay in bringing down the decision which cost the workers millions of dollars, the rejection of the ACTU claim for the introduction of superannuation schemes financed by the employers, the alteration of the dates for six monthly indexation of wages and the associated threats from the Hawke Government, the employers and the Commission of further discounting of justified wage increases in the future thus continuing to reduce the purchasing power of workers' wages.

★ The emergence of neo-fascist organisations and neo-fascist policies supported by the Bjelke Petersen Government and the Liberal/National party coalition.

★ The unprecedented legislation and administrative actions of the Hawke, Cain and Wran Labor Governments aimed at smashing the Builders' Labourers' Federation (BLF) and the associated actions by certain unions in facilitating that aim.

★ The Hancock Report on industrial relations containing proposals for government legislation aimed at strengthening union adherence to the system of compulsory arbitration and strengthening controls over the union movement.

In opposition to these developments there is growing evidence of a rejection of the Accord and its basic concepts by sections of the workers and the unions, rejection of the Hawke Government's proposals in connection with the crisis affecting the economy and the capacity of workers to act in defence of their living standards and democratic rights. There are also signs of certain left political forces moving closer together thus enhancing the possibility of forms of left unity even though on a limited basis.

Threats to Workers call for Strong Action

In total these developments, which are inter-connected, present the workers and their organisations with a situation more serious and threatening than they have faced for a long time. The situation will not change for the better for some time and the threats to workers' interests will intensify.

These circumstances call for strong and firm action. But such action must be developed around demands which are related to the actual situation and not around demands which are either fanciful or inadequate. The main danger is the latter.

The Crisis

In April 1983, just a few weeks after becoming the Government, the ALP leaders convened what was called a National Economic Summit. Those invited included top leaders of the main corporations in Australia, Hawke

Government ministers and members of the ACTU Executive plus leading representatives of a number of community organisations.

It was a very matey type of gathering with Prime Minister Hawke as Chairman addressing everybody by their first name.

The mood for the gathering was set by the Prime Minister's call for "consensus", "bringing Australians together" and "ending confrontation". That call was a carry on from the basic purpose of the Accord between the ACTU and the ALP adopted in February 1983, just before the election. The aim of the Accord was to convince the unions and their worker members that they had common interests with the big corporations and that **ALL** had to pull together to resolve what was described as "the worst economic crisis afflicting the nation in fifty years".

The spirit of consensus and co-operation sought by the Prime Minister prevailed and in general the representatives of the big corporations found themselves at one with the thinking on the economy of the newly elected Labor Government of R Hawke.

In the spirit of the occasion some amazing speeches, marked by a willingness to collaborate with big business, were made by the ACTU representatives. The pundits declared the conference an outstanding success and, in the euphoria created by the false concept of "one for all and all for one" everybody settled back for a long period of upward development of the economy.

Now, only slightly more than three years later, the Prime Minister speaks of yet another period of crisis in the economy and describes it as the most serious crisis the nation has faced in a long time.

He does not exaggerate the position. There is a state of crisis and it is of a basic character. It is already affecting the living standards of the workers and it will have even more far-reaching effects as it develops. And that is what it is bound to do.

The most immediately discernible manifestations of the crisis are the declining value of the \$A on the international monetary exchange market and the substantially adverse state of the nation's balance of payments.

Neither of these are of recent vintage. They have been developing for some time and have been openly referred to by the media. Both features of the economy are evidence of factors deeply affecting the nation's economy. On the world market the items which constitute the bulk of Australian exports are in a state of over-supply. The result is that the prices received for these items have sharply declined. The expected advantage flowing from the devaluation of the Australian dollar and the resultant lower competitive prices paid for Australian exports in countries with higher valued currencies has not materialised.

In addition to that, international trade in those items is extremely competitive and associated with substantial government assistance for exporters in other competing countries (for example, the European Community and the USA). At the same time, and mainly as a result of the devaluation of the Australian dollar and this country's dependence on a range of imports of manufactured goods and machinery equipment, the cost of imports has risen and continues to rise.

In total these contrary price movements provide Australia with adverse terms of trade and, in the current period, an adverse balance of trade, ie, an excess of imports over exports in value terms.

An excess of payments made over those received, for such items as freight, insurance, repayments of principal and interest on loans, repatriated profits and dividends, tourism (until recently referred to as "invisibles") results in a deficit in what is termed "the current account", ie, the sale and purchase of merchandise and services plus invisibles.

To enable the nation's trade payments to balance, the deficit must be overcome by an inflow of capital. That is known as the "capital account". If the capital inflow is insufficient for the purpose of making up the deficit in the current account, the balance of payments is adverse and that must be made up by loans, public and private. Those loans and others, such as for state and local government purposes, constitute the "national debt". Servicing that debt, ie, repayment of principal and payment of interest becomes a burden and contributes, in relation to public loans, to the creation of government budget deficits.

These burdens are all exacerbated by the consequences of from the devaluation of the Australian dollar.

The state of the balance of payments (in surplus or in deficit) affects the nation's reserves of gold and foreign currencies. These reserves are used to meet overseas payments and their level affects the nation's solvency. The nation's solvency in turn affects the exchange value of the Australian dollar. That in turn affects the terms of trade, the trade account, the current account and the balance of payments. Truly a vicious circle.

These are basic factors of the current and developing crisis, attested to by the ever more frequently repeated declarations by economic and political commentators. Pretence and "gobbledy-gook" by these people is increasingly giving way to firm anticipations of recession in the economy.

But neither they, the Hawke Government, nor the Howard-led Opposition have proposals truly aimed at resolving the issues involved in the crisis.

However, it is not sufficient, for purposes of the workers, merely to decry these failures or to berate those responsible or to gloat over their failures.

With a recognition that the economy is in a state of crisis it is necessary to define the causes of the crisis and respond in a positive manner to those causes and their effects.

The starting point for such a response must be rejection of and total resistance to every effort by governments, employers or arbitration bodies to make workers carry the burden of the crisis effects by discounting wage indexation, freezing wage levels or creating a wages pause or wage reductions, reducing or abolishing leave loadings or penalty rates, increasing standard working hours, reducing welfare payments or other forms of welfare assistance, adding restrictions to such payments or assistance, etc.

But that is not sufficient. Such resistance even if successful will not overcome the state of crisis which arises from factors inherent in a capitalist society and, specifically in relation to Australia today in the sphere of international trade and finance speculation.

Left to itself, this state of crisis will inevitably pass, but it will impose severe and lasting difficulties on the workers and its passing will also inevitably lay the basis for further and more severe crises as a repetitive process.

The interests of the workers requires that proposals to cope with the crisis include substantial changes to the system which gives rise to such crises.

In today's circumstances this means extensive intervention by the Government in the control of the economy and its development, in the direction of trade and the the control of the monetary and credit systems of the nation.

None of this is possible without considerable interference with the private profit making system and with the operations of big business, especially the monopolies and trans-national corporations. Anything less than that is inadequate for purposes of the workers.

These proposals are not only for political parties. They are also for advancement by trade unions.

Some sections of the trade unions, especially the officers of the Australian Council of Trade Unions (ACTU), are advancing proposals said to be aimed at coping with the crisis. But they do not in any way interfere with the capitalist system or the profit making rights of big business. In fact most of such proposals are intended to maintain and, in some respects, strengthen those rights.

In addition to imposing burdens on the workers as a means of reducing its Budget deficit and maintaining profit levels in the hope that the capitalists will increase investment, the Government is placing great reliance on pleading with the US in relation to certain aspects of international trade. It hopes that the coming meeting of the General Agreement on Tarrifs and Trade (GATT) together with hefty financial assistance for capitalists in a process of restructuring the economy, will lead to a lift the economy.

But the present state of affairs has developed despite the long standing existence of GATT and a series of annual summit meetings of heads of state of the seven leading capitalist nations. Pleading with the US is also proving of little use.

By-pass the Accord

The implementation of policies to cope with the crisis in the interests of the workers will have to be enforced on governments irrespective of their party label. That will not be an easy or short term task but it must be undertaken by working class forces including the trade unions.

For this purpose the Accord must be by-passed.

It is necessary to be rid of the Arbitration Commission's wages restricting guidelines and any obligation to governments or employers such as would hamper the unions in taking necessary actions in pursuit of far-reaching policy changes.

By-passing the Accord is being facilitated to-day. The Government has failed to carry out its part of the agreement with the ACTU, and the employers who were never party to the Accord are demanding that the Government enforce wage reductions on the workers.

Furthermore, the Government has now announced its intention to set aside the Accord even in relation to the only part of that document of value to workers, that is, regular and full indexation of wage rates.

In these circumstances the Accord can be ignored. The issue is not the Accord but the raising of demands on behalf of the workers and the pursuance of these demands by every means available. That is how the Accord should be by-passed. The Plumbers' Union, supported by the Builders' Labourers' Federation, has set an example in this direction.

By-passing the Accord must be accompanied with emphatic rejection of Prime Minister Hawke's concept of "sacrifice with equity". There is no such thing.

This reality was pointed to by the *Sydney Morning Herald* economics editor Ross Gittins (9/7/86).

Under the heading "Fairness has nothing to do with the profit motive", Mr Gittins contrasted the emphasis given by certain forces, including economists, to restricting wages over controlling prices and said:

"In short where's the equality of sacrifice? Where's the fairness?"

"The answer is blindingly simple, but terribly hard for an Aussie to accept: there is no fairness because, when it comes to running the economy efficiently, fairness has nothing to do with it.

“We live, by common consent, in a capitalist economy and a capitalist economy runs on the very opposite of fairness: self-interest, selfishness, greed — call it what you will. (In polite society it’s called ‘the profit motive’).

“If you want a capitalist economy to work effectively, generating jobs and prosperity for the rest of us, then the rules have to be stacked in favour of the capitalists. They have to be provided with sufficient profit to keep them happy playing the game. How much profit is that? In the end whatever they think’s a fair thing!”

On the same theme Mr Gittins also made the following points:

“When we seek to impose fairness on a system which runs on unfairness, we risk damaging the system.

“Fairness has nothing to do with making the economy work more efficiently.

“But while economists worry about inflation, these days few of them want to try to reduce inflation by controlling prices. They don’t believe it works in the long run and, if it works in the short run, it does so by squeezing profits. And squeezing profits makes a capitalist economy malfunction.

“Economists want real wage levels to fall to ensure that profits stay up. Profits makes a capitalist economy go round.

“So there is no ‘equality of sacrifice’ between labour and capital, workers and bosses. The last thing we want is for businessmen to be tightening their belts. We want them continuing to make healthy profits, expanding, investing and employing more workers. The whole idea is that we tighten our belts so that they won’t have to tighten theirs”.

So, if you support capitalism as a worker, you support the right of employers to an unnamed level of profits and the workers’ obligation to tighten their belts — reduced wages — so as to ensure those profits.

But as today’s circumstances show, a tightening of workers’ belts and a high level of profits does not guarantee capital investment or the creation of more jobs. For some it means no job at all.

Mr Gittins’ states the real position and shows no basis for the class collaboration practices on which the Accord is based and which some Union officials boast about.

In total the events listed above pose a most serious threat to the workers and require an end to the hesitations and vacillations engendered by the Accord, the development of a powerful ideological counter offensive and the meeting of every threat from anti-worker forces with the power of the organised forces of the working class.

Encouraging Signs

There are encouraging signs showing a capacity for such actions.

Despite timidity in some quarters, an increasing number of trade unions are expressing opposition to the Accord and in some cases are acting without regard for that document. There is also growing criticism of the line of the ACTU leadership. An increasing number of workers are expressing disillusionment with the Labor Governments.

The need is to harness all that and direct it in an organised manner, to develop a movement with positive aims.

A further significant and helpful development is provided by the moves to develop unity between the various genuine political left forces in the country.

These moves involve several political left parties and numerous individuals.

The good news is that recent developments confirm a willingness and a capacity on the part of the most class conscious forces to initiate and develop the necessary actions.

That is a responsibility those forces must willingly honour.

Trade Union Work — Plus! The Communist Essence

by Gus Hall
General Secretary, CPUSA

First, I want to commend the Trade Union Department for calling this conference. It is timely and necessary. It takes place at a very good moment for many reasons, including the fact that we are celebrating the 100th anniversary of May Day.

It is also timely in the sense that we are celebrating Reagan's first serious defeat — the vote in Congress against the \$100 million for the Nicaraguan counter-revolutionaries. It is a tremendous victory and I think our Party acted quickly and more effectively than ever before on such an issue. The districts were already in gear when we called to check up.

I think the telephone has become the best, most effective and efficient method of protest in the country — surpassing petitions and delegations. It is a direct form of reaching opinion makers. The calls are computerized and Congress gets the tally at the end of every day. But there's a wrinkle, which is new. Some congress people have been asking for names and addresses, which is a form of intimidation. However, many admitted it was the telephone campaign that changed their vote.

This conference is also timely because the congressional elections will be held in six months. It is possible that this election can spell the end of Reaganism.

It is also timely because it comes right on the heels of the 27th CPSU Congress, a congress that will have implications far, far beyond the borders of the Soviet Union.

It is timely, because, come May 1, we will issue the first edition of the *People's Daily World*. Our new daily, national, working-class paper will raise our work to a new level. We should consider the new paper as a critical, indispensable instrument in the trade union field.

This conference is timely because it comes after the Geneva Summit. There is now a danger of the collapse of the summit process. After the recent provocations there are some real obstacles to Summit II — the US fleet violating the sea lanes of Libya, Bulgaria and the Soviet Union; the expulsion of Soviet personnel from the UN mission on the false charge of spying; the restrictions placed on the missions of Czechoslovakia, Bulgaria, the German Democratic Republic and Poland, and the most hostile, rabid and lying March 16 speech by Reagan.

It is especially timely because the Soviet Union proclaimed its last moratorium on nuclear testing on the basis that it will be in effect as long as the US does not conduct another test. Today, almost at this very hour, a nuclear bomb will be tested in the Nevada desert, thus breaking the test ban. The ban will end as of today and then negotiations will have to start on a new basis.

The conference is timely because there has been a period of militant, long strikes, including those against Hormel, GE, American Can, TWA, Colt Industries, etc. These struggles raise some very important questions about our role. Generally, it was and is very positive, but with some negatives and weaknesses.

But above all else, it is timely because we meet after the 16th convention of the AFL-CIO. As we said at the last Central Committee meeting, that convention was more anti-monopoly, anti-multinational, anti-racist, anti-apartheid, politically independent and anti-dictatorship. Lane Kirkland has now included Chile in his denunciation of dictatorships, as well as commended the AFL-CIO for its support of the labor unions in the Philippines and its role in toppling Marcos. The convention was less anti-Communist, less class collaborationist.

This convention, which was the convergence and surfacing of many directions, patterns and tendencies, opened the door for progressives, communists, the Left and militant trade unionists. We have not yet fully assessed these possibilities.

This conference also comes at a good time because it is right after our last Central Committee meeting, in which we discussed the new political framework which the summit created.

What stands out is wider open doors

The challenge is to answer the question: How do we work in the new framework? What do we do with the new "fresh winds" we have been talking

about? What do these mean in the daily life and work of our Party, in concrete terms?

In the new framework what stands way out is that the doors are open wider than ever before us, for progressives and those on the Left. Therefore, it is not only that the doors are open, but in many cases we are asked to come in and take part in struggles and in leadership. Trade union leaders and rank and file are asking us to come and help. So the new framework is most important.

Then, the question is: Once we are in what do we do? It is possible to walk in and then just stand around and talk about generalities.

Where do we go from there?

For instance, should we organise Left forms? If so, on what levels?

Is it possible to think about the Left in broader terms now — how broad and what forces?

We have to deal with complex new problems of the class struggle. But as a working-class party we have to deal with them in many cases in a new way. These problems include:

- ★ The new role of the government
- ★ The fusion of corporate galaxies such as GE and RCA, GM and Hughes. These mergers create political and economic galaxies which are multinational. We are dealing with a new phenomenon, not the old monopolisation process, but on a totally new scale.
- ★ The huge military corporations, corporations whose main profits come from military orders. This presents a whole new problem, especially because they have become the very corrupt core of the military-industrial complex.
- ★ There are new problems concerning imports and exports.
- ★ New problems in high technology and automation.
- ★ New so-called “hollow” corporations, which are basically assembly lines for imported parts and parts made in smaller companies. Assembly lines for foreign parts is becoming the dominant form of production in the US.
- ★ Then, add the new skillful maneuvering of corporations — for example, there are corporations which have an annual outing of employees, costing \$150,000, to create an atmosphere in which to build a class collaborationist structure.
- ★ New problems of how to deal with the phony Left, who have penetrated many unions and strike struggles.
- ★ The high unemployment in a period of economic upturn.

How to deal with all these questions and problems from a Communist vie-

wpoint should be the theme of this conference.

Then there are some new philosophical ideas that have emerged on the scene.

For example, the concept of the “under-class” has slipped in and made its way into our writing. It is not accidental. It is an attempt to divide the working class and create something that is not part of the working class. This concept is totally out of place and non-Marxist. It should not even be used enclosed between quote marks.

The concept is being promoted that strikes are outmoded and do not accomplish anything anymore. The concept is that today, under new conditions, this is not the way to fight anymore.

As struggles develop new problems emerge. An important contribution we can make is to keep the struggles focused and to show the connection between different areas of struggle.

For example, it is progress that Lane Kirkland takes a good position on the struggles in South Africa. But he uses this to cover up his bad position on the struggles in Central America.

The National Organisation of Women (NOW) carries on good work on the abortion issue. But they do not connect this struggle with the struggle for a nuclear test ban.

Many movements use the so-called Jewish question to cover up their support for Reagan’s policies of nuclear aggression.

The task of Communists must be to make the connection between issues and to keep the focus on the main questions of the day.

The meaning of communist trade union work

Maybe some did not take enough notice that this is not just a trade union conference; it is a Communist Party conference on trade union work. There is a big difference when you place it this way.

Perhaps it is a reflection on our work, that we do trade union work and not Communist trade union work. I want to emphasise that difference.

I don’t think we are over the hump on this weakness. There is a big difference between good trade union work and Communist trade union work.

Communist trade union work means good trade union work *plus*. When a Communist does good trade union work without the “plus”, it is opportunism. As good as the work may be, without the plus it is opportunism. Without the plus it will go nowhere. It is a path to nowhere and nothing. We have to once and for all understand this. This is true whether a Communist is working full time as a union organiser or working in a shop.

Our new trade union program is correct. Our new assessment, our new framework are correct. Our ideas of raising the level of the trade union movement are correct. But we must still work out how to raise the Party's work in this new framework, how to apply this new level.

For example, how did we apply this on the drive to defeat the anti-Nicaragua bill? Did we see the new framework and take advantage of it? I think there are very positive things in the actions we took to defeat this bill.

Or, the Hormel strike. Are Hormel workers more class conscious now than they were six months ago when the strike began? They are angry at Hormel. But are they angry at the capitalist system after six months? Do they question the system after six months on the picketlines?

What have we done, specifically, to raise the consciousness of Hormel workers? Picketing the bank will not do it!

We have to ask this question about all strikes, all struggles. I think if we do we will find weaknesses.

What develops class consciousness is a very important question. It does not develop automatically or spontaneously. There has to be an injection and only our Party can do this.

Class consciousness develops by explanations of how the system works, explanations of what exploitation is, labor as a source of value, explanations of class struggle and socialism, etc.

Of course we are interested in winning struggles. But we are interested in the "plus". There is no contradiction. On the contrary, the plus makes a stronger, better organized, better understood strike. The plus is a plus even for the strike and should not be seen as being in contradiction to it.

When a strike begins, do we sit down and ask ourselves: How can it help workers to develop class consciousness? What can we do to help this process? We do not think in these terms.

I want to take this opportunity to correct a wrong concept in the Party that has been with us for a long time. It was such a strong trend that once when I wrote a pamphlet on the trade union movement and our Party's role, the Political Bureau decided not to publish it. That is how strong the concept was. It comes from a misuse of an unclear formulation by Lenin.

"We have said that there could not have been Social-Democratic (socialist) consciousness among the workers. It would have to be brought to them from without. The history of all countries shows that the working class, exclusively by its own effort, is able to develop only trade union consciousness, i.e., the conviction that it is necessary to combine in unions, fight the employers and strive to compel the government to pass necessary labor legislation, etc".

The misuse is "it would have to be brought to them from without". Outside of what? This has been interpreted to mean outside of the class. By whom? This has been interpreted to mean that class consciousness and socialist consciousness must be brought to the workers by the professionals, intellectuals and middle class.

What Lenin obviously meant is that such ideas must be brought to the working class by a working class political party that combines workers and intellectuals, outside of the trade union movement, not from outside the class. The working class political party is inside the class.

This became clear when he said:

"I speak of the organisation of revolutionaries, meaning revolutionary social democrats. In view of this common characteristic of the members of such an organisation, all distinctions as between workers and intellectuals, not to speak of distinctions of trade and profession, in both categories, must be effaced."

It was clear later when he said that in Party committees there should be eight workers to one intellectual.

What Lenin meant is that such ideas must be brought to the working class by a working class political party outside the trade union movement. Therefore, not outside the class, because the working class political party is within the class.

When Lenin said, "I speak of the organisation of revolutionaries, meaning social democrats," he meant that in view of the common character of members of such an organisation all distinctions between workers and intellectuals must be eliminated.

Lenin went further into this question about how the Party looks on class struggle as a revolutionary movement. After the upsurge of 1905, Lenin said the ratio should be two intellectuals to 100 workers.

For example, in the upcoming American Institute for Marxist Studies conference the speakers are 20 intellectuals to 1 worker. This is a terrible weakness. Workers and trade unionists should not only participate, but also speak. This is an example of the misinterpretation. Such a misinterpretation has led to many weaknesses, such as,

- ★ a lack of emphasis on the working class and the class struggle,
- ★ intellectual smugness. Some of this remains. Intellectual smugness is a real weakness. This retards the development of intellectuals, not workers, because it becomes an obstacle to development and maturity.

Lenin spoke about the role of intellectuals like Marx and Engels in the development of the theories of socialism and the class struggle.

Left formations in trade union work

We have to examine all levels of work in the new framework. Very closely related to Party building is the organisation of Left forms. The political concepts and ideas are closer between the Party and the Left than with the overall trade union movement.

The development of the Left in this new situation is not even. The Left has become a mass development on economic questions. The strikes indicate this.

The Left is a growing sector on Central America and South Africa. The resolution passed at the AFL-CIO Convention was mainly pushed by broad Left forces, which gives an indication of the growth on the Left.

The Left sector is growing within the movements for political independence.

The Left is growing in the struggle for equality. There are many indications, including the approach to affirmative action and seniority.

There is a Left among women workers, youth, etc.

So besides overall Left formations it is necessary to help organise Left forms in the specific sectors rather than just overall Left formations. We will move faster if we organise Left forms in these specific areas.

It is not quite true, but almost, that it is very difficult to build the Party without building Left forms. I want to leave this door open. Without Left forms we will not build very fast.

Generally, in this period, the danger is sectarianism. It is almost natural. When things move you either have to move with them or you are lagging behind. The whole idea of a new framework means things are moving and we have to move with them — find new and bold tactics and initiatives. This is necessary at this moment.

I think we must make a revolutionary change.

Party building is the test of good trade union work

We are far behind on the question of Party building because the objective developments are increasingly preparing the soil for it. But the objective soil will not by itself build the Party. Farmers are now preparing for planting, but without the seeds nothing will grow. So it is with Party building.

The question is, How can we take advantage of new developments?

If your trade union work does not result in Party building you are doing poor trade union work. It is dialectical. Communists can not do poor Party work and good trade union work. They are tied together. What you do to prepare

workers for the strike should also prepare workers for the Party. There should be no contradiction.

If you have to be reminded, or even if you have to remind yourself, about the need to build the Party, or if it is a once-in-a-while in your thoughts, you are not going to build the Party. If it is not a Party of your life you will not recruit. Party building consciousness must be a factor in everything we do, almost spontaneously, like a conditioned reflex. It must become a part of our lifestyle. It is not that way with most of us. It is a once-in-a-while thought. If we have to say, "The Central Committee said we have to build the Party" we probably will not do it.

What do we gain from good trade union work without the "plus". A momentary credit. It actually turns into a negative to do good trade union work without the plus. Because you win results without the workers learning what it was all about. It turns into an illusion for workers. Not knowing what you are really fighting for, or about, turns into a negative because it builds illusions; it is not even neutral, but negative.

For example. Recently I met with an old timer. A fine comrade. A fulltime trade union official for 50 years, who always accepted the line of the Party, always paid dues, never behind, always made contributions. He always attended state committee meetings. He was a member of a district trade union commission. *But* he never recruited anyone. So now he is retiring. How do we assess his work? What has he contributed to class consciousness, to socialist revolution?

It is a negative assessment. It is a wasted political life — at least. It is very sad because he believes in socialism and the Party, but he leaves nothing. And that is trade unionism without the plus. It adds up to nothing. We have to think about this now, before we retire. Maybe this comrade will change, but it is a little too late.

Adding the *Plus* in trade union work

We must examine our work from this viewpoint. It is not easy. But it is not impossible and certainly not difficult if you eliminate opportunism. This is an excuse — that it is too difficult to add the plus.

We have the means of doing it.

There is an excitement even among non-Party trade unionists about the launching of the *People's Daily World* on May 1. Of course, the fact that the paper is Marxist-Leninist, Communist, makes it even better, more exciting.

We need a revolutionary change in our approach to our new paper. There can not be a communist who is not involved with the paper. This should become the "Year of No Excuses."

There has been a tremendous explosion of shop papers. This is a very positive development. But we must examine the content and see if comrades are achieving the plus. Also, we have to examine the content of our writing, our speeches.

Will workers join our Party because they see communists as good trade unionists? A few will, if they know the trade unionist is a communist.

Will they remain in the Party if they remain on a trade union level? No. They will come in, but they will leave.

Will workers join the Party because of our position on racism, both Afro-American and white workers? Yes. Will they remain based on this one issue? No. Most will not.

Some will join because of our position on peace. But if they remain on this level they will not stay in the Party. Pacifism is not a solid basis for remaining in the Party.

Will workers develop class consciousness during a strike? Some, but not too many. The Hormel workers are angry at Hormel, but this is not class consciousness.

Will workers who are not class conscious join the Party? Of course, we should recruit them, but then we must help to develop class consciousness as soon as they join.

The challenge is not only to build the Party, but to build communists. This can mainly be done on the club level.

Do we have problems with comrades who become full-time trade union leaders? Yes. This is an old weakness. In fact, I resigned as a fulltime trade union organiser mainly because of this and because of the unlimited expense account.

When these comrades leave the Party orbit they almost always move to the Right. In the trade union they move to the Right, but in their rhetoric they become more Left. They move Right and talk Left. They become extra critical of the Party from the Left, while they are moving to the Right.

We have had cases where they were moving in an opportunist direction in the trade union movement and in the Party they were moving Left — defending Stalin in the Party. Their lifestyle changed. They were going to more cocktail parties and fewer Party meetings.

What is the “plus”?

It is explaining issues in a way that goes beyond reforms.

It is making the connection between issues, using the *People's Daily World*, shop papers. How to deal with ideological questions. The mind is not a blank

slate. One can not write anything one wants on it. One must argue to make room for good ideas. One must argue against bad and wrong ideas and then present good substitute ideas. If you only present new ones without getting rid of the wrong ideas, the new ones won't stick.

For example, on class collaboration, you have to undo the ideas of class collaboration and replace them with ideas of class struggle trade unionism.

You have to undo racist ideas and, in place, argue for equality and affirmative action.

To develop class consciousness you have to clear out the ideas of class collaboration. That is why this is not a spontaneous process. Therefore, we have to think about *how* to do this.

On the Congress of the CPSU

I have been to a few Soviet Party congresses. But this was something very special. It reflected something special going on in the Soviet Union. It will take a while to fully assess what it was that made this Congress so special.

It was the high point of working class economic and political power.

The Soviet Union is now ready and in the process of its biggest leap forward.

The whole idea is that in 15 years they will double everything, starting with production. They now produce two and a half times the amount of steel, wheat, cotton and potatoes produced in the US, France and Germany. In spite of their high steel production, they were critical that they have not yet replaced steel with plastic pipe.

The developments have changed the competitive relationship between the US and the USSR. It will change the whole picture of the revolutionary process. They will do it with science, technology and the spirit of the Soviet people.

The plan to double everything should make American businessmen take a good look and get in on the ground floor. In four years everyone in the country will have an apartment or house. This is unprecedented in human society.

So, the Congress was an expression of what has been accomplished and what they are planning to accomplish on an accelerated basis. It was a beautiful example of socialist man and woman discussing, planning and molding the new communist society.

What kind of people will socialism mold? They are different from five, ten and twenty years ago. What does a socialist society do to the human personality, a society that has no profits, no private corporations, no social ladder to climb, where people work collectively? The only way to describe the Soviet

people is to say they are all like workers — the scientists, the teachers, professors, actors, etc. They *all* act like basic workers. Most of the delegates to this congress, most of the people who run the country, are workers.

You would think with all they have accomplished, that there would be a tendency for them to brag. But no, there was no such thing. In fact, everything was up for examination, for criticism, but all in the framework of monumental accomplishments. There was no time for praise, for bragging. They spent the time talking about how to do things bigger and better.

For example, a retired coal miner spoke about digging coal. He was a Stakhanovite. Recently, he said, he visited the cosmonaut training centre. There he saw them training on a drill that looked just like the miner's drill. But he noticed that the drill was not noisy, like the miner's, and did not vibrate. While he was talking he turned to the head of the Academy of Sciences and asked why the coal miners could not get such a drill.

With all the accomplishments and plans, in the Congress there was an air of constructive criticism and no boasting.

Closing remarks and summary of the meeting

This has been a good meeting. The attendance is double what we thought it would be. The speeches showed how active and involved our trade union comrades are.

First, let me say I do not think it is effective to say that trade union leaders move when they are “kicked in the ass”. Long ago, many could have said “you Communists started moving when you were kicked in the ass.” So I strongly disagree with this assessment.

Next week will be a critical week. The Senate will vote on the \$100 million aid to the Contras and after that the bill will go back to the House. This will determine whether the bill will pass. Everyone should move on this *now*. It can be defeated if we move into action immediately.

As I said, it has been a good meeting, good speeches, good discussion. The Party is active in the trade union movement, in struggles, in leadership bodies.

But there was one big weakness. If comrade Lasker did not take the floor, I would have had a perfect case.

This is a most serious question. I know some of the comrades who spoke did recruit, some were themselves new recruits and did not mention it. Why not? Most of the comrades did not recruit and could not speak about recruiting. But why didn't those who do have experience speak on it? Is it because this conference was billed as a meeting on trade union work, and most comrades had prepared their remarks ahead of time and did not think they could

change them?

I would recommend that we have another meeting, just to discuss one point: Why didn't we speak about Party building in this meeting? I think we could learn a lot at such a one-point agenda meeting. We have to take a critical look at it, individually — and collectively. We have to make a revolutionary correction on this question.

One example of how to use developments: What we should do in Florida with Claude Pepper. A year ago he agreed to a moratorium on social security payments. And now he made a speech for the \$100 million for Nicaraguan counter-revolutionaries, a Nazi-like speech. Our Florida comrades should really get on this traitor's case.

A word on how to get political discussions going, whether in the shop or neighbourhood. The best starting point with one or even a group of workers is something that affects their lives. For example, taxes: Why are their taxes so high while big corporations do not pay any taxes at all? Or, to start the conversation from an article in the daily paper.

On class struggle — there will appear an article in the May issue of *Political Affairs* which you should all take a look at. We must never take for granted that the question is in the very centre of our thought processes. We can not forget all the detours — social democracy, Browderism, Euro-communism, Trotskyism, Maoism — they went into the swamp of opportunism when they dropped the class struggle as a guiding principle. It is a major element in developing class consciousness. Therefore, it is in the centre of everything we do.

Job security for those involved in communist trade union work remains an important question. We must be concerned and serious about it. Not for everyone, but for many people, it remains a problem.

The answer, however, is not to do nothing. The question is how to work to get around the security issue and continue to do work while not being fired or exposed. Even the period of achieving job security on a new job should be used to prepare future recruits. For example, the Italian CP membership exploded after WWII because they used the illegal period to prepare new recruits. This is an example for us.

What should happen when you go home? First of all, we should be different as a result of this meeting. We should be better Communists, more effective, consistent, more stable and mature. It should have that effect on all of us.

Therefore, what is needed is a serious look at our past work as individuals and as part of a collective. We should draw some practical conclusions and then take practical steps to improve our work. And, among the questions we must consider, we must include why we did not discuss Party building and

what we must do to make it the plus in all our work.

Comrades should not get discouraged. Some do so much too easily. For example, when comrades start distributing the new paper at shop gates. It happens that after the first distribution, and someone does not join the Party, comrades get discouraged. But immediate recruiting as a result of distributing the paper is not going to happen. Ideological change is not visible. Change is a slow process — faster now, because of the new framework — but still slow.

Workers can not afford to react like students — who react demonstrably and quickly at times. Ideological changes are accumulated. They do not show up right away. It is a dialectical process — accumulation takes place over a period of time and then it comes to the surface and explodes. Sometimes you can distribute at a plant gate for a year and then, suddenly, a worker will give you a dollar. It is a slow, but sure, process.

The final test of whether this is a good, effective meeting will show up tomorrow.

Our Party is on the right path, moving in the right direction, and we have been for some time. There are no major weaknesses or deviations. We are more united than ever. This meeting adds to the great future of our Party.

The General Crisis of Capitalism: Economic Features

by Professor Marx Schmid

Director, Institute of World Politics and Economics, GDR
and

Professor Lutz Maier

Deputy Director, Institute of World Politics and Economics, GDR

The instability of the economy of state-monopoly capitalism (SMC) sharply increased and the crisis of its political structures became more acute in the 1970s. A special role was played here, we believe, by the crisis of the forms of SMC relations of production which had been preponderant until the recent period. These relations have run into an impasse which is most importantly indicated by the grave complications of the reproduction (basis) processes, as will be seen from the worsening conditions for the realisation of capital and the slow-down in the pace of economic growth in the leading capitalist countries. Similar trends are gathering momentum in the 1980s, and this suggests that the general crisis of capitalism is entering a qualitatively new state.

It is of great interest for the working class and communist movement, for the forces of social emancipation and national liberation, the mass democratic movements — for all those who seek to consolidate the foundations of the peaceful coexistence of the two systems and to solve vitally important social and global problems — to analyse these qualitative changes and the contradictory dialectics of the deepening crisis of the capitalist system and the response to it on the part of the ruling circles. Since it is impossible to shed

light on every aspect of this matter in one article, we shall have to deal mainly with the crisis trends characteristic of the SMC reproduction mechanism so as to bring out the new features of the general crisis of capitalism and to delineate the potentialities and limits within which imperialism could adapt to them.

Sources of Contradictions and New Trends

The general crisis into which capitalism has been plunged at its imperialist stage is a period of the immediate "collapse of capitalism in its entirety and the birth of socialist society".¹ This society has now developed into a world system and has inaugurated the era of mankind's transition to the communist socio-economic formation, while the exploitive capitalist world has historically passed its peak.

Within the set of factors behind the instability of the capitalist system, two have a special role, and they are characteristic of SMC in the 1980s.

First, since *internal* SMC contradictions continue to be the crucial source of SMC development, they keep adding altogether new crisis phenomena to its conflict upheavals, among them the crisis of the structure of the capitalist economy, and energy and other resources on the national and international levels which is being actively stimulated by scientific and technical progress. Such factors sharply deepen the antagonisms of the "magic polygons" which take shape from the opposition of consumption and savings, wages and profits, inflationary growth of prices and balances-of-payments, government debts and budget deficits, and so on. As a result, a deep crisis descended in the late 1970s and the early 1980s on the mechanism of SMC *regulation* of social processes which used to help capitalism to adapt to the changing situation of the earlier decades. This is what induces a modification of organisational forms, social tactics and political strategy.

A similar break already took place as a result of the Great Depression of 1929-1932, when the capitalist system was forced to link state policy with economics in order to survive. SMC regulation of the economy had an influence on the concrete processes in the deepening of the general crisis of capitalism at its first stage. There is now once again a change in the forms of such regulation, and this tends to add new long-term features to the crisis.

"The conflict between the vastly increased productive forces and capitalist production relations is becoming ever more acute...No 'modifications' and manoeuvres by modern capitalism...can overcome the acute antagonism between labour and capital, between the monopolies and society,"² says the new edition of the CPSU Programme. The historically doomed capitalist system cannot escape from the state of all-pervading crisis because of its inner contradictions.

Together with the drastic complications of the reproduction process there has recently been a sharpening of social contradictions in the industrialised capitalist countries in consequence of the unprecedented growth of mass unemployment, the anti-social policy of neoconservatism, and the emergence of the “new poor”. The spreading social conflicts intensify the crisis in ideology and policy and of the whole superstructural apparatus, which reducing the reserve for economic, social and political manoeuvring.

The second specific factor determining the features of the general crisis of capitalism is that imperialism, in confrontation with the policy of peace, tends to run into a fundamental conflict with the vital interests of mankind as a whole, and this adds another feature to the general crisis of capitalism. As General Secretary of the SUP CC Erich Honecker put it, “the crucial issue today is whether the arms race will be stepped up along every line and the danger of war increased, or whether stable peace for all will be ensured”.³

The forces of reaction and militarism in the United States and other imperialist countries are seeking a way out of the crisis through a policy of military gambles and a strategy aimed to destroy socialism. By contrast, the sober-minded leading circles of the bourgeois world do not turn a blind eye to the fact that there is a narrowing-down of the sphere of imperialist domination, a worsening of the *external* conditions for the existence of imperialism in view of the radical change in the balance of forces in the international arena in favour of the peoples fighting for social progress and peace. From decade to decade, these circles have witnessed the strengthening of the socialist countries’ economic potential and international influence, their attainment of military-strategic parity, now the basis for maintaining the peaceful coexistence of the two systems. Also clear is the growing role of the national liberation and democratic movements, which have manifested themselves as a qualitatively new factor in the anti-imperialist struggle. There is a growing awareness among broad masses of people in the capitalist society that the handover of economic priorities to military-industrial complexes, i.e., to small groups of monopoly capital, harms the productive forces, distorts their economic structures, and deepens the crisis phenomena in the economy. This undermines the foundations of the capitalist system as a whole.

Capitalism is now faced with the daunting problem of revising its foreign-policy strategy of war and peace, and with the need to recognise the policy of peaceful coexistence of the two systems, something that must inevitably affect many aspects of the capitalist economy and social policy. External conditions, therefore, likewise fix a critical point in the dynamic of the SMC. Together, the internal and external factors carry to an extreme the instability of this central core of the whole capitalist system.

As a result, the historical prerequisites of the decay of the capitalist mode

of production and the deepening of the SMC crisis are superimposed on each other, so predetermining the *features* of the general crisis of capitalism, which have taken shape since the late 1970s, and which have characterised its movement since the early 1980s. The urge of monopoly capital to preserve the conditions in which it functions impels it to resist the historical law-governed tendencies leading to the decline of the capitalist social system, and to adapt its “internal” forms and “external” behaviour to the objective changes in the world. The SMC’s adaptation to the worsening conditions of its existence in the epoch of transition from capitalism to socialism testifies to the capitalist system’s historically defensive positions, and in this sense the present phase of the general crisis is similar to the earlier ones. But its specific features are manifest in the reproduction problems of the capitalist mode of production now being generated by the scientific and technical revolution (STR), the internationalisation of production, and the growth of the productive forces as a whole.

SMC Regulation Modernised

The productive forces of capitalism develop under the uncontrolled impact of the STR, the anti-social orientation of the capitalist relations of production, and the internationalisation of production. In the past decade, this has sharply exacerbated the traditional contradiction between the “qualitative and quantitative” proportionality of reproduction and the SMC’s incapacity to regulate the distribution of labour and capital, most notably the regulation of sectoral proportionality, which is vitally necessary for the development of reproduction processes.

As the extensive and protracted depreciation of amortised capital has not been duly paralleled by its accumulation, structural crises have intensified in the sphere of material production. Cyclical fluctuations of production have been sharply exacerbated, breaking out spontaneously and running for longer periods than in the past. The cyclical crisis of 1974-1975, the heaviest since the 1930s, and the subsequent prolonged recession of 1980-1983 did lead to a destruction of vast masses of “unprofitable” capital. They failed however to fulfil the whole of their purgative and regulative function, so that there was no general or noticeable economic recovery to give the crucial impetus to the general growth of incomes.

Investment processes in the United States, Japan and especially Western Europe have been extremely flabby and unstable over the past decade. The law of the vicious circle held sway: cyclical recessions haphazardly stimulated structural modifications which raised the level of accumulation; chaotic structural shifts (the growth of some and the decline of other sectors of the economy) did little to develop the industries which create the surplus-value and on which the rate of the real accumulation of capital depends.

All these complications are compounded by the interlacing of structural, cyclical crises of production, with the crisis of the credit and financial sphere. The relative overaccumulation of money capital is increasingly in excess of direct investments in "productive" capital, i.e., in the enterprises which deliver the material goods and yield the surplus-value. The inflation and stagflation which have developed concomitantly, despite some slowdown in the growth of prices in the leading Western countries in the 1980s, have defied government and monopoly control, and have continued to be the main factor in investment decision-making. Apart from inflation, the bloated international money markets, the speculative financial deals, and the dangerous build-up of government-budget deficits in the imperialist countries create substantial impediments to the operation of credit-and-money mechanisms and world trade.

Capitalist production is also faced with new contradictions between labour and capital. Man's direct dependence on machines and on routine mechanical operations is reduced by scientific and technical progress, and this gives the individual opportunities for creative self-expression. But contrary to all this, SMC intensifies the working people's subordination to capital's regulations, and makes them totally dependent on the structural and cyclical crises, the negative effects of the technical re-equipment of production, and the incapacity of bourgeois policy to carry out any genuine modernisation. In the *new social situation*, the contradiction between the potentialities of social progress and the actual condition of the masses is sharply aggravated, so deepening the crisis of the system.

In world economic ties, the TNCs' expansionism tends to undermine national economic policy priorities, to expand the spheres of rivalry, and to sharpen the conflicts between groups of capital, between the imperialist powers, and especially between the less developed and the industrialised countries. The international SMC regulation mechanism and the corresponding relations of production do nothing to invalidate the operation of the laws of capitalist production, being bent to its economic and political contradictions and stamped with the exacerbating antagonisms between labour and capital.

The global tasks presented by the STR, by the depletion of natural resources and the destruction of the environment have recently made SMC problems more acute. Capital cannot expect to have any long-term or stable conditions for maximising profits, accumulation, supply of labour, etc., without integrating science and production, and optimising the relation of energy sources and infrastructures. The leading circles of the capitalist world are seeking a way out of the situation mainly by way of modernising the two supporting structures of the system, the *monopolies* and the *capitalist state*, in an effort to gain organisational advantage over the working class movement.

The main forms of monopoly, the capitalist concerns, seek to concert their action, through intersectoral agreements, to cooperate more closely in exploiting national and other countries' producer resources, and to accept mutual compromises in the fight for new marketing outlets. There are more mergers and takeovers of companies and financial groups, wider-ranging stock market speculations, farther-flung international monetary markets, and "risk" capital for the latest hi-tech ventures. On the company level, this is attendant with more flexible methods in the exploitation of labour, management and marketing.

As the conditions for the reproduction and realisation of capital are internationalised, the role of the transnational corporations (TNCs) tends to grow. Their headquarters in the "metropolitan countries", are still, as a rule, the controlling centres and a reliable "hinterland". There is likewise ever more active use of new forms of inter-connections "without property", such as co-production agreements, long-term consortia, technology exchange agreements, mutual industrial and banking services agreements, and the most diverse information services.

The functions of the capitalist state are likewise modernised through changes in political priorities, economic regulation methods and relationships with the monopolies. The Keynesian approach to high growth rates through an expansion of aggregate demand, coupled with the tactics of social reformism, prevailed until the 1974-1975 crisis. This has now given way to what is known as "supply-side" economics, which calls for a reduction of taxes on monopoly profits, slower inflationary growth of prices, economies on social spending, and so on. This leading SMC circles hope, will help the capitalist economy to develop independently of short-term cyclical fluctuations in production. Here, the state is to act as selective stimulator of scientific and technical progress and key technologies, ensuring favourable conditions for operations by privileged hi-tech linked groups of monopoly capital. This is being done mainly by denationalising some industries or enterprises, and setting up mixed, state-monopoly property.

On the scale of the world economy, capitalist internationalisation, once concentrated mainly in circulation (trade, export of capital and monetary relations), is now being firmly established in production, including research and development. Here, the capitalist state has the same ancillary role, helping the TNCs to adapt to the internationalisation of production and capital. This process has now entered upon another round of rapid expansion under the impact of the STR.

Capitalism is no longer capable of creating within the framework of its system a normally functioning global economic mechanism on an interstate basis or by means of some kind of "world government". Some capitalist countries and international organisations act as partners of transnational

monopolies. World capitalist relations of production are shaped, therefore, both on the basis of *transnational capital*, and on an *interstate basis*, and also with the aid of *international capitalist institutions* (such as the IMF, the IBRD, the OECD, GATT, the regional EEC, etc.). Ever more multilateral ties, together with acute internal contradictions have been developing between the *state* and *private monopoly* units of international capitalist relations of production and also between the individual elements of the capital internationalisation structure.

In these conditions, the military factor, which has always had the leading role in imperialist policy, has become the *priority* condition for the functioning of its whole system. The arms monopolies their allied banking corporations and the government military machine now determine not only the policy but also the socio-economic basis of this system. The ultra-reactionary circles, for their part, rely on the economic, scientific and technical potential of the military-industrial complex, which binds together the politics and economics of imperialism.

State economic policy and SMC structures and objectives, especially in the United States, are increasingly determined by the interests of the military-industrial forces, so giving obvious advantages to those who carry on the arms race. That was made perfectly clear by the protracted depression of 1980-1983, when the decline in the rate of GNP growth in the United States, the FRG, and Great Britain, as compared with the 1975-1979 period, was attended by a rapid increase in military outlays and the flourishing of the companies involved. The efforts of the United States to build up a kind of world-wide military-industrial complex by using its leadership in NATO, and NATO's in the capitalist world, is another central aspect of this process. Through military channels it has been intensifying its influence on its allies' policies and economies, relying on the intensive use of science and technology for military purposes. With the passage of time this influence has increasingly spread to some less developed countries as well.

We find, therefore, that the law-governed internal economic expansionism of monopoly capital, which makes SMC politically aggressive, continues to operate fully, ensuring, for its part, the economic prosperity of the military-industrial complexes and feeding their internationalisation trend.

The wide range of instruments by means of which SMC has adapted itself to the economic, technical and political conditions of the world over the past decade is designed to bolster the positions of capitalism in the 1980s and 1990s, but this strategy cannot ease the general crisis of the system.

The Strategy of “Adaptation”

The ruling circles of the capitalist countries strive to solve the crisis problems of adapting to the changing conditions either through “force” or “re-

form”, as Lenin pointed out in his day. The social-reformist and bourgeois-liberal “adaptation” scenarios look to expanded capitalist reproduction on “social springs”. The now prevalent conservative scenario is designed not so much for such compromise methods of reformism, as for confrontation with the countervailing factors, for *resisting* the law-governed uniformities of social development.

But it would be a mistake to assume that no account should be taken of this adaptation by capitalism, just because it has no prospects before it. Indeed, the task is to reckon with the strong and weak aspects of the strategy of imperialist manoeuvring, and to organise mass resistance primarily to the most odious and reactionary “adaptation” scenarios. That does not mean supporting the illusion that the general crisis of capitalism can be eliminated or reduced in depth. Rather it only involves efforts to democratise the conditions of the social struggle by the masses within the framework of the general crisis and is development in an atmosphere of peaceful coexistence between the two systems.

This is precisely the task stemming from the situation of the 1980s, as imperialism seeks to adapt itself to the realities mainly in aggressive economic, social and political forms. SMC is now essentially trying to bridge the gap between the objectives and the potentialities of the capitalist system, and to make it more efficient, a strategy reflecting not only a definite set of objective processes and contradictions, but also the subjective interests of the reactionary section of the monopoly bourgeoisie. Its main objective is to consolidate the world capitalist system and to give its economic and political power a potential that would drastically change the world balance of forces in favour of imperialism, a scenario designed to ensure reproduction processes through the creation of a more intricate and refined system for exploiting the working class nationally and internationally.

Although the historical limitations of such efforts are an incontrovertible fact, capitalism has nevertheless achieved some concrete results. Capital is now able to speed up scientific and technical progress to some extent by modernising the monopoly structures, taking some state measures to regulate economic processes, and redistribute the national income in favour of the monopolies in the leading imperialist countries, notably the United States. This helps to remodel production structures, improve some efficiency indicators and so on. This opens up for some groups of finance capital, mainly those involved in the arms race, opportunities for expansion and growth, so that they find themselves in a buoyant mood of technological optimism and political and social adventurism.

However, the policy of suppressing the working class movement, mass unemployment and curtailed consumption puts a social time-bomb under all these changes. The conservative line has forced the working people to carry

on struggle for their interests in more trying circumstances, as their economic condition is worsened absolutely and relatively. But the organised working class movement and its revolutionary potentialities cannot be suppressed. Indeed, the neo-conservative strategy is being deprived of mass support in some of the leading capitalist countries, and this tends to erode the reactionary forces' political domination.

Capital does, of course, benefit from changes in SMC structures, such as greater scope for manoeuvre and more favourable conditions for its realisation, as a result of intensified concentration and centralisation within individual countries and in the capitalist economy as a whole. But here again it has to pay a price by accepting risks, since the emergent forms of monopoly co-operation merely complicate but do not change the dialectics underlying the contest of the centrifugal and the centripetal tendencies, and the policy of adaptation and struggle within the world capitalist economy. Despite its organisational modifications, the contradictions between the haphazard market production and the need to regulate it (the state — monopoly — market problem), between supply and demand (the problem of realisation), and between labour and capital remain in full spate. This shows that the capitalist relations of production can be adapted in no more than a limited manner to the growing socialisation of production and development of the productive forces. The lop-sided, class-limited, profit-oriented modernisation of monopoly structures and state functions is absolutely incapable of resolving such deep-seated antagonistic contradictions. It spins off a mass of new contradictions and intensifies the bitter competitive fight between numerous groupings of the ruling capitalist class, causing conflicts between high and traditional technology, and between state and monopoly regulation of social processes.

These tendencies are evident, for instance, in the competition between the United States, Western Europe and Japan in the fields of high technology, investment markets, etc. This competition is being increasingly exacerbated by the uneven GNP growth and pace of technical progress, and frequently looks like economic warfare. The internationalisation of production and capital generates an intricate web of infighting, competition between "models" of protectionism and integration, and an extremely fluid relation between the state-monopoly forces. Here, the US urge to make the imperialist forms of internationalisation serve its own interests keeps running up against constant resistance from the other regional centres, and into a contradiction with the global trends of development, so sharpening US relations with the Third World countries to an extreme.

It is important to note finally, that the central task of the present strategy of social confrontation — that of rolling back or even destroying socialism in the world arena — has proved to be a complete fiasco in the 1980s, as it did in the

past. The forces of socialism are growing, the arms race policy is moving into an impasse, while the policy of peaceful coexistence of the two systems is getting ever greater support from the revolutionary and national liberation movements, and the peace circles in the imperialist countries.

The analysis of SMC's conservative strategy shows that it is hammered out in the competitive fight between the monopolies and the imperialist centres of power, each of which looks to its own private interests. That is why their adaptation to the new conditions assumes a multitude of forms, while its central line is crystallised in the fight for leadership in say, the "individual" US, or "collective" models of imperialist domination.⁴ Subjective factors, such as the differing international experience of the leading bourgeois circles, their capacity to make a realistic assessment of the political and economic trends, and their conceptual positions also have an effect. The strategy of adaptation is ultimately a combination of the national and regional, political and economic objectives of the various factions of the bourgeoisie in our days. It is largely determined by the objective law of the uneven economic and political development, because SMC in the various countries has been shaped at a differing pace and with a different degree of intensiveness.⁵ As the state-monopoly trends in the internationalisation of capital were intensified and the uneven development and rivalry between the "three centres" — United States, Western Europe and Japan — were further sharpened, they became interconnected and interacting elements of inter-imperialist relations.

The emergence in the past few years of "mixed" scenarios,⁶ reflecting the cross-current interests of neo-conservative, bourgeois-liberal and social democratic circles, has become an important aspect of the bourgeois strategy of adaptation. These scenarios have yet to play the leading role, but they have also attracted the attention of the Marxists by the power systems, the managerial methods and the SMC reproduction mechanism they imply. Here, the working class has before it the prospect of switching capitalism from the conservative policy of "adaptation" to forms of social development more preferable for the democratic forces. The conservative line of adaptation in the early 1980s only delayed the solution both of long-overdue and of new problems, and has made the capitalist system more unstable. The overriding situation is that the strategy of capitalism's adaptation cannot overcome either the objective contradictions and limitations to its own internal development, or the new world-wide balance of forces. The law-governed uniformities of social progress at the end of the twentieth century operate in favour of world socialism, the working class and communist movement, the peoples of the newly liberated states, and of all the other democratic forces fighting for peace and social progress.

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Dismantling the Victorian State Schools — Phase Two

by Tom Gill

In 1983 the Victorian Government put forward proposals in a set of Ministerial Papers (1), advocating a “genuine devolution of authority and responsibility to the school community,” and in fact this policy has been largely implemented giving individual schools a great measure of autonomy in educational policy. In June 1986 the Department issued a discussion paper which outlined new plans for Victorian State Schools.(2) The 1983 changes did not arouse any great opposition. On the contrary, the Victorian teachers’ unions supported the moves as being in line with policies they had been advocating for some time. The 1986 proposals are part of the price to be paid for past mistakes; but this time the teachers seem to have realised, to some extent, what is going on.

The Project Team which produced the document *Taking Schools Into The 1990s* proposes to extend the autonomy granted in 1983 to almost every aspect of the school’s work, subject to overall financial auditing and rather vague requirements as to “the achievements of the school against agreed objectives.” At this stage it should be stated that, while the document appears as a discussion paper, it must be assumed that plans are pretty well advanced and we are being presented with a **fait accompli** — a situation which would need pretty drastic action to change.(3)

We find that responsibilities hitherto the province of the Department are to be transferred to school councils and the Principal, particularly the latter. Between them, they will control the school’s educational policy, select and appoint staff, determine promotions, approve leave for teachers including special categories of leave (as well as long service leave); employ emergency

teachers; undertake major works; purchase, dispose of and lease land and buildings additional to the school site, pay allowances and accounts and a variety of other activities. To do all this the school will receive a fixed grant, to be supplemented only in the event of some unforeseeable contingency. (Project Team report pages 12-13) There will, as stated above, be some overall supervision of expenditure and other activities. It is claimed that “centrally negotiated agreements will remain a feature of the system. They will set common terms and conditions of employment for teachers, provide for appeals and grievances, establish entitlements and in some areas outline procedures for schools to follow.” (Ibid, page 12.)

Dozens of questions are inevitably left unanswered by the document which consists of a bare twenty-nine pages. Consideration of some of these unanswered questions must give rise to serious misgivings among teachers. It is asking too much, for example, not to expect the Government to take advantage of the situation to weaken the teachers’ unions. While, for example, permanent part-time employment is to be within the powers of the schools, (Ibid, page 17) there is **no mention** of the other powerful anti-union device of contract employment. The schools however may employ “consultants” of various types, “from within or outside the Ministry of Education.” (Ibid, page 13.)

The changes planned for the Victorian State School system, in the first instance, can be expected to consolidate the bad features of the 1983 plan, such as the preservation and accentuation of the differences between schools, and the facilitation of political or religious discrimination against teachers. It would be a serious mistake to regard these proposed changes as merely an excess of enthusiasm for such things as self-management, workers’ control or grass-roots democracy — things dear to the hearts of the extreme left and many middle-class intellectuals.

Instead the whole process must be looked at in the context of the political situation prevailing at present — the drive to the right, the onslaught on trade unions which stand up for their members, and the pressure for privatisation and deregulation. The school autonomy, begun in 1983 and now about to be accelerated, makes the wholesale privatisation and dismantling of our state education system very much easier, and we cannot, in the light of state and federal policies take this threat lightly. For example, it would be a very simple matter, once the control by the School Councils and Principals over the payment and recruitment of staff was established, to incorporate private schools into the State system. Mr Jim Young, President of the Victorian Teachers’ Union (VTU) described the proposals as “backdoor privatisation” and said “This would jeopardise improvements in conditions that teachers have fought hard for...The VTU, through the Victorian Federation of Teachers (VFT) is calling for the discussion paper to be totally rewritten.”⁴

The education system is being attacked under the banner of “relevance”, democracy and self-management. The policies advocated remind us of the words of Bertolt Brecht, writing of a time when the working class was under attack as never before:

“Men had hoped that one day there would be bread to eat. Now they may hope that one day there will be stones to eat.”⁵

Our children who were taught to ask for bread but were given stones, are to be taught to ask for stones. That is to say, our children were educated for work but found no jobs; now it is proposed that they be educated for unemployment.

The veneer of modern “relevance”, is still misleading some democrats and liberals, (even if the teachers are waking up). The SPA must expand and reframe its policy on education which has always been for free, universal and secular education and, unlike some of the extreme left, we aim to preserve whatever we inherit from the bourgeoisie that is good and valuable for the working class. We should remember that the cultural and scientific heritage of capitalism which we need to build socialism is, in the main, not the work of the bourgeoisie, but of those who worked and were exploited under capitalism.

Notes

1. See the *Australian Marxist Review*, August 1983, page 28, for a discussion of the Four Ministerial Papers of March, 1983.
2. *Taking the Schools Into The 1990s* — A proposal from the Ministry Structures Project Team, June 1986 (Victorian Ministry of Education).
3. To quote from the paper (page 23).

“The project team proposes that self governing schools will be phased in over a period of three to four years, commencing in 1987.”

This would be quite impossible if a great deal of **detailed** planning were not already completed, if for no other reason than the very complex technical and legal problems involved.

4. The VTU Journal Vol 12, No 5, June 1986 (page 1).

The three bona fide teachers' unions in the Victorian Government Schools are the Technical Teachers' Union of Victoria (T.T.U.V.), the Victorian Secondary Teachers' Association (V.S.T.A.) which cover the post-primary schools, and the Victorian Teachers' Union (V.T.U.) which is concerned with primary schools. These three unions have formed the Victorian Federation of Teachers (V.F.T.).

5. From Brecht's notes to his play *The Life of Galileo*.

A criticism: *The Communist Movement and Australia*

by P Symon

In 1973 or '74 W Brown requested that he be given 12 months leave of absence from major Party responsibilities for the purpose of writing a history of the communist movement in Australia. His request was granted and he produced and circulated a precis of the proposed history to his colleagues in the leadership of the SPA, some of whom made some suggestions.

But after that nothing much happened and eventually it became apparent that Bill Brown was not going to produce the promised history at that time.

Now, 13 years after the original proposal and the 12 months leave of absence was agreed to, a book has been published which claims to be an historical outline titled *The Communist Movement and Australia*.

The question arises — why didn't Bill Brown produce the history, say within 5 years of the first proposal? Five years would be a reasonable time!

Perhaps the answer is given in Brown's assertion in his book that differences "existed virtually from the foundation of the SPA and were based on two fundamentally different approaches to the application of Marxism-Leninism in the struggle for socialism in Australia". (*The Communist Movement and Australia*, p.283).

If this is what Brown really thought throughout the first decade of the SPA's existence it explains a number of things including his failure to fulfil his own proposal to write a history in reasonable time. It was necessary for him to wait until he had broken with the SPA so that he could then assail it.

He now chooses to use such terms about the SPA as “infantile”, “left sectarian”, “dogmatic”, “isolated”, “opposed to trade unions”, “bureaucratic” and more. All this is due to the machinations of “three central functionaries.”

However in October 1980 Bill Brown wrote: “The range of basic Communist work for peace and social progress and the level of national and international recognition achieved by the Socialist Party of Australia within the nine years of its first decade stands as a remarkable contribution to the struggle for scientific socialism in Australia.

“It is the more remarkable considering the complex circumstances which made the refounding of a Party of communist science essential in the Australian labour movement....

“A feature of the SPA leadership and its policies was its capacity to give a clear political lead in basic class terms.

“Within the scope of even a long article, it is impossible to do justice to the really remarkable range of work carried out for the objectives of peace, higher living standards and socialism across the Party’s first nine years.” (*Australian Marxist Review*, October 1980 — “A Party of Communist Science Reborn”, pp.19-30.)

So that was in October 1980. In less than one year all that had changed.

In the *Discussion Journal No.2* published in connection with the SPA’s Congress held October 2-5, 1981 he had discovered “left sectarianism and a doctrinaire, centrist or authoritarian style of leadership” and in a scurrilous document submitted on the very eve of the Congress Bill Brown and several others assailed other members of the Party’s leadership.

From that point onwards it was apparent that Bill Brown and his supporters had declared war on the Party and did (and still does) whatever he can to attack it and disrupt it.

But to return to the book which covers the period from the 1890s to the 1980s.

The early chapters are reasonably objective although they do not offer much that is new to those who have read E. Campbell’s *History of the Australian Labour Movement*, writings by L. Sharkey and R. Gibson and some others. Nor is there much by way of analysis.

However, the period from the late 1950s, and the two and a half decades since 1960 is marked by scarcely hidden subjectivity and value judgements which often have little to do with the facts. Assertions replace factually based analysis. A number of important facts are omitted entirely and in some cases are plainly inaccurate. All this is done to achieve a certain impression and certain ideological conclusions.

Although the necessity for struggle against both right and “left” opportunism is mentioned a number of times, the main target of the book is left sectarianism.

The evaluation of these two errors which are quite prevalent in the Australian communist movement is an important question.

Talking about the period of the middle sixties the author says “while left opportunism was the main trend, the CPA leaders...developed right opportunist illusions...” (Ibid p.266). In fact the main trend in this period was a right opportunist one.

The author does not adequately deal with right opportunism anywhere in the “history” and overwhelmingly delivers his blows at left sectarianism.

It is as well to recall how G. Dimitrov put the task of struggle against both right and left opportunism in his report to the 7th Congress of the Communist International.

“While fighting most resolutely to overcome and exterminate the last remnants of self-satisfied sectarianism, we must increase in every way our vigilance toward *Right opportunism* and the struggle against it and against every one of its concrete manifestations, bearing in mind that the danger of Right opportunism will increase in proportion as the broad united front develops. Already there are tendencies to reduce the role of the Communist Party in the ranks of the united front and to effect a reconciliation with Social Democratic ideology. Nor must we lose sight of the fact that the tactics of the united front are a method of clearly convincing the Social Democratic workers of the correctness of the Communist policy and the incorrectness of the reformist policy, and that they are *not a reconciliation with Social Democratic ideology and practice*. A successful struggle to establish the united front imperatively demands constant struggle in our ranks against tendencies to *depreciate the role of the Party*, against *legalist illusions*, against reliance on spontaneity and *automatism*, both in liquidating fascism and in implementing the united front against *the slightest vacillation at the moment of decisive action*. (G. Dimitrov, *Report to 7th Congress Communist International*, Sofia Press edition, p.80). (Emphasis in the original.)

The perpetuation of a struggle between right and left opportunism which are both expressions of petty bourgeois ideology diverts the real struggle for a victory of Marxism- Leninism against both petty-bourgeois errors. This point is relevant to Australia. Speaking of many inner Party struggles which have occurred since the first days of the formation of the CP of Australia a statement issued by the SPA *The Pattern of Struggle for Marxism-Leninism in Australia* notes:

“Throughout the history of the communist movement of Australia there

have been repeated manifestations of both 'left' and right opportunism of : often sectarian impatience and over estimation of the level of development the movement and at the same time, a search for easy, 'popular' ways, belief, for example, that a revitalised Labor Party will blaze the trail to socialist society.

"Both these deviations which appear to be so opposite have a similar original in petty-bourgeois ideology and subjectivism and often appear together as a combination of pragmatic and dogmatic attitudes in party work.

"Revolutionary change can neither be 'gingered up' nor achieved by relying on the development of the spontaneous mass movement.

"At each stage of development it is necessary to make an objective assessment of reality, deciding on priorities and the appropriate tactics on the basis of that reality rather than on subjective estimations and wishes.

"'Left' and right opportunism tend to fuel one another. Leftism gains ground as right opportunism shows its bankruptcy. Right opportunism is revitalised as the futility of 'leftist' excesses are repudiated.

"It is necessary to oppose both expressions of opportunism. It is not a question of a 'balance' between these two errors but of overcoming the ideological weaknesses which give rise to both. To 'left' and right opportunism we oppose a proper application of Marxism-Leninism." (*Political Resolution*, Fourth Congress, p 17)

Despite many references to Marxism-Leninism and to right and left opportunism the author has by no means broken from the rightist expression of petty-bourgeois ideology either in theory or practice.

The book fails to deal adequately with nationalist tendencies, with liquidationism, with non-class and class-peace tendencies, which are prevalent at the present time. The question of the ALP/ACTU Accord, which has caused tremendous debate in the last three years is not even mentioned once. Why such an omission? The tendency to trail along behind social democracy and to accept the ideological domination of social democracy in the labour movement is also not discussed at all. The proposals being discussed by some now to liquidate the Communist Party into a "new" party "to the left of the Labor Party" is also given no attention.

These right opportunist tendencies which the author agrees from time to time are the "main" problems facing the communist and labour movements are ignored.

The predominance of the struggle between the two petty bourgeois errors and the weakness of Marxism-Leninism is the basic reason for the inner party struggles and the splits in the communist movement in Australia and Brown's

book, far from being a contribution to ending this situation, actually contributes to it.

This is the real theoretical position and the practice of the Brown-Clancy group confirms it. All the existing left parties are in various ways and to various degrees damned by the author. The author and his friends, who are not now in any party are presented as the heroes and saviours — to which we can only say, Protect us from such saviours!

There are many other statements, half-truths and complete mis-statements, which could be disputed in *The Communist Movement and Australia*.

The author asserts that “a new start needs to be made...for restoration of a Party soundly based on scientific socialism in both national and international policies”. (*The Communist Movement and Australia*, p285). But why is it necessary for a “new start” when such a party exists and extensive discussions are already taking place between left political organisations. Perhaps this is not to the liking of the author who, after all, has the dubious reputation of having been expelled from both the CPA and SPA and in writings and activities has contributed more than a little to the disunity which has befallen the communists of Australia for more than twenty years.

A contribution to the current process taking place and so sorely needed, could have been made by a sober evaluation of the history of the communist movement, drawing lessons from experience in an objective way while helping to overcome mistakes or misunderstandings. W Brown does not make such a contribution in *The Communist Movement and Australia*.

Small business shoots at wrong target

by Jim Henderson

As the economic crisis worsens in Australia, workers, small farmers and small businessmen are victims of attacks on their living standards and conditions.

The workers are those that are usually blamed for this serious financial position and this blame is often attributed to them by the small farmers and small business men as well as the giant monopolies.

Small businessmen, especially the owners of small stores, are cruelly imposed upon and work long and hard hours, often with the involvement of all members of the family. Their hardships are usually stated to be caused by the workers receiving too high wages, and many fall for this false propaganda.

The small businessman can walk across the street and often buy a block of chocolate from the giant retailers cheaper than he can get it from the wholesaler. The chain store buys from the wholesaler at a price well below that which the small businessman can obtain from the wholesaler. In fact, the wholesaler is often part and parcel of the giant chain store establishment. This gives a key to the source of the real problems facing small businessmen.

The livelihood of small businessmen is directly dependent on the custom that he receives from the working people who are his main customers.

The claim that the working people are the cause of the problems of the small businessman is far from the truth. Unless the working people are in receipt of adequate purchasing power, that is, wages, then the small shop must suffer a drop in returns.

Thus it is evident that the enemy of small businessmen is not the working people but the giant monopolies that exploit both.

There is, therefore, a clear identity of interest between the working people and small business co-operating against the power of the big businesses.

Farmers, small business, big business and politicians on all sides of the parliament are laying the blame on the working people for the economic crisis that has the country in its grip.

Some see the solution of the economic ills in attacking and, in some cases, actually destroying the trade union movement which has, over the years fought for and played the major part in lifting the living standards of the people.

The most casual examination will show that the living standards of our people rose parallel with the building and strengthening of the trade union movement.

In almost every case the rise in the living standards of the working people was won through bitter and often long struggles between the working people and the owning class who have never and still today refuse to lift a hand to assist in the betterment of the living standards of the great mass of the people.

THERE IS A FUNDAMENTAL DISAGREEMENT BETWEEN THE WORKING CLASS AND THE EMPLOYERS AND THIS IS ALWAYS MADE CLEAR WHEN THE FORMER SEEK TO IMPROVE THEIR CONDITIONS.

Today, this is shown clearly with the employing class demanding that the workers accept a lowering of their living standards, so that the profits of the employers can be improved.

Because the trade unions are the mass organisations of the workers and are the chief means of winning better living standards the call is now being made for their destruction.

One of the most vicious attacks being made against unionism is coming from the so-called Australian Small Business Association (ASBA).

The word "so-called" is deliberately used for according to the ASBA, membership of the organisation "is open to all self-employed people and proprietors of small firms. Membership covers the spectrum from one-man businesses to firms employing HUNDREDS OF STAFF." (My emphasis JH)

Can it be honestly said that a firm employing hundreds of staff is a small business?

The ASBA was formed in July 1983 and claims to be the fastest growing organisation in Australia.

It is claimed that 95 per cent of all businesses are classified as small businesses and that this 95 per cent comprises over 700,000 small businesses. Thus big business consists of a mere 5 per cent.

Incredible as it may appear the ASBA claims that a major source of their troubles is that trade union membership is much higher in large businesses than in the small.

It is stated that, "The problem begins with the fact that there is a tremendously high degree of unionisation within big companies. Although the percentage of unionisation for the workforce as a whole is 57 per cent, that figure can be misleading. Within big companies the percentage is far, far higher — perhaps as high as 80, 90 or even 100 per cent within some companies and some industries. By contrast, within small companies, unionisation may be as low as 10 per cent depending on the industry the company may be working in."

One could readily jump to the conclusion that if the unions are the cause of the troubles that small businesses have to contend with, then their position should be much easier than big business. But not according to the queer logic of the ASBA.

The ASBA maintains that because of the high percentage of unionism in big business the unions have these big ones "over a barrel". They go on to say: "Using tried and true guerilla warfare measures, the unions can usually achieve their objective within a week of applying the pressure on a big company."

According to *NEWS* (March/April edition), the official organ of the ASBA from which the above quotes are taken: "By direct action in the field and then manipulating the Arbitration Commission they have been able to out-manoeuvre business." And then it is suggested, the unjust wages obtained are then passed on to the struggling small businessman. They do not mention that these "high" wages are then partly spent at the small business shops.

Very recently the biggest company in Australia announced an all-time record profit for any Australian company of over one billion dollars. It seems that the "high" wages won from them did not affect their profit. The barrel over which the unions had the BHP would appear to have been to the liking of that major exploiter of the labour of unionists.

Another example in the reverse has just recently been reported from the United States where the second largest steel company, LTV Corp. has filed for bankruptcy — despite the low level of unionism in that country.

Here we have the position where a big business makes a record profit with a high level of unionisation and another goes broke with a low level of unionisation.

It is claimed that Australia's 57 per cent trade union membership is forcing Australian prices up so high as to threaten the very future of business in this country.

But business failures are high in the United States as well as in the United Kingdom, West Germany France, Italy and now even the “economic miracle” country, Japan. All of these have a lower percentage unionism than Australia.

Are all the failures of small businesses in this country attributable to the big bad unions which “have directly caused inflation and unemployment?”

It is true that in Australia there is also a high rate of business failures. Robert Renew, Queensland President, Australian Society of Accountants, states in the *Courier-Mail* (28/7/86), that small businesses fail at the rate of 50 to 60 per cent within three years of starting and 80 per cent within 10 years.

He goes on to say that, “There is a number of factors contributing to these failures but there is growing evidence to prove that decisions based on unprofessional advice are responsible for a very significant proportion.”

However, it is not unusual for workers to be blamed for the errors of employers!

The ASBA quotes the Managing Director of Sunbeam Corporation who recently compared the number of days of paid leave a year (including sick leave and holidays) taken by Australian workers and workers of other countries.

He found that “Australians have the highest number of paid days off — 52 days — being for annual leave, various public holidays, long service leave entitlements, rostered days off in lieu of the 36 or 38 hour week, etc.”

The ASBA then states approvingly that “the Japanese standard working week is typically around 48 hours a week with very few annual holidays, very limited sick leave and no long service leave — and no holiday pay loading.”

The ASBA makes it crystal clear that in their opinion the way to settle Australian economic problems is to reduce the living standards of the workers of this country to the level of the lowest in the world. In that way it is argued Australia would then be in a position to compete with the most poorly paid workers in any country.

Never once is it suggested that the conditions for lowly paid workers of other countries should be raised to the Australian standard. In the mentality of the ASBA a lower standard of living for working people would be a good thing.

They state that the Japanese working year is 50 per cent more than in Australia and that we must increase our work hours to a level to compete with them, cutting out all benefits that have been won over the years.

The call is out that there has to be a reduction on a huge scale in the living standards of the workers of this country so that the businesses, big and small, will show a profit that the owners regard as adequate. And as in the past the “adequate” profit will always be above that which is being obtained. Is there

anyone who thinks for one minute that BHP will not improve on its one billion dollar profit if it possibly can?

It is pertinent to note that the call for the reduction in wages and conditions is being made at the very time that profits generally are rising rapidly. The *Courier-Mail* (28/8/86) carries the banner heading, "Flow of Corporate Earnings Reports Turns into a Flood". The page is heavy with company profit reports, some increases being over 20 per cent.

"Large scale unemployment" it is claimed, is caused by "a powerful well-organised and highly self-interested trade union movement".

The ASBA states that the United States' workers receive a mere 19 days off annually and that unionism in that giant of capitalism is at the level of 19 per cent and falling.

Let us look at the benefits that low level unionism and few leisure hours have brought to the US workers.

In December 1984, the Mayor of Chicago in a published report showed that more than 900,000 residents (in a city of 3 million) were in a constant threat of hunger and 25,000 were living in the street, back alleys and abandoned cars. In the US as a whole, 20 million go hungry, 8.5 million are unemployed, 3 million are homeless and there are 30 million whom the administration itself classifies as living below the poverty line. (*New Times*, 14 July 1986.)

The ASBA claims that the Australian unions "are constraining the growth of the economy". Yet the daily press *Courier-Mail* (25 July 1986) reports that Australia and Japan have both reached an identical level in the performance of their economies. The same result but Japan has the highest working hours and Australia the lowest!

If the cause of the problem is not to be found in wages, hours and conditions enjoyed by workers what is the reason for the current severe economic crisis?

We are living in a capitalist country where the products of labour become the property, not of the producers but the owner of the factory. A portion of the wealth created is given to the workers as wages and the remainder is kept by the employer in the form of profit.

The struggle for a greater share of the wealth that the working class has produced expresses the fundamental disagreement between the working class and the employers.

In a socialist society where there are no capitalists, the total production is owned and controlled by the people themselves for the benefit of all the people.

However, we are still living in a capitalist society and to change to the sane and logical system of socialism is not yet possible. Something can be done now. A struggle is required of all those who are exploited by the giant monopolies for a deep going change in the present social structure and in this the genuine small businessman must work with the worker to take some measure of control over the giants that dominate the present society.

The small businessman must break with the misleaders of the ASBA and see clearly that the worker who walks into his shop to spend his wages is not his enemy. The real culprits are the giants who rob him in the way of excessive charges for the commodities that he purchases to sell in his small establishment.

In Australia, not a shoe can be fastened to a horse's hoof unless the metal from which it is made is obtained from the BHP monopoly. Keep in mind that billion dollar profit.

The price of vehicles, building materials of all kinds, office equipment, foodstuffs and other commodities are really determined by big business. It is abundantly clear that the stronger the unions are in winning higher wages and conditions the better it is for the small businessman. But the trade union movement should also know and be concerned about the problems of small business. Joint struggle by workers and small business against the monopolies is urgently needed.

Nation and Class in the South African Revolution

by Sisa Majola

We always call for unity and even organisational merging of Blacks and Whites in the democratic organisations for liberation — but what are the grounds for calling for such unity? Further, on what policy should we base our propaganda and agitational work in the mobilisation of the White population for liberation? Is such an exercise worthwhile? Should we appeal to humanitarian sentiments, proceeding from the faith that since the White community is part of the human race as well, they will come to see the “evil” and “inhuman” nature of the apartheid system?

Engels remarked in his polemics against Duhring that all social changes are to be sought not in man’s quest for eternal truths or justice, but in the change of the mode of production. He and Marx insisted in *The German Ideology*:

“This mode of production must not be considered simply as being the production of the physical existence of the individuals. Rather it is a definite form of activity of these individuals, a definite form of expressing their life, a definite mode of life on their part. As individuals express their life, so they are. What they are, therefore, coincides with their production, both with what they produce and with how they produce.” (Marx and Engels. *Coll. Works* Vol.5, pp.31-32.) These then are the premises of the materialist conception of history.

That relations among men are determined first and foremost by the position they occupy in the production process is a proposition that is generally recognised by all Marxists. This conception of history starts from the material production of life itself, since the first historical act of man is the production of the means to satisfy hunger, thirst, the need for shelter, and various other things. This conception further explains how all political structures arise from the

material production of life itself. Even “the phantoms formed in the brains of men are also, necessarily, sublimates of their material life-process, which is empirically verifiable and bound to material premises”. (ibid.,p.36.)

We must therefore discard the abstract humanitarian shell and proceed from what is objective. We must make a concrete historical analysis of the existing class and national relations in South Africa, and from this basis we can examine the attitudes of various classes and strata to the national question. Then our talk about “solidarity action” or “proletarian internationalism” will become comprehensible. It is one thing for the priests, the liberal press, and the rest of moral evangelists to call for racial love, racial justice and the establishment of non-racial unity in South Africa; and quite another for a Marxist revolutionary to agitate for racial unity, educating both the Black and White workers against national chauvinism and in the spirit of proletarian internationalism, eliminating even the slightest national friction “for an accelerated drawing together and fusion of nations that will be completed when the state withers away.” (Lenin, *Discussion on Self-Determination Summed Up*. Those who stand by historical materialism, that is, those who insist on the existence of internal colonialism in our country, know very well that there is a tremendous distance between a national policy based on concrete historical circumstances and one preached by Billy Graham or the Institute of Race Relations.

The Theory of Internal Colonialism

Delivering the Ruth First Memorial Lecture at the Eduardo Mondlane University in Maputo, on the 24th August, 1984, Comrade Joe Slovo made the following remarks:

“‘Colonialism of a special type’ or ‘internal colonialism’ is, I think, the closest we can come in our search for an accurate description of the South African reality...A grasp of the institutionalised national oppression which characterises South Africa is the starting point for elaborating the perspectives of our revolutionary practice, and leads to the conclusion that the main content of the immediate struggle is to achieve complete national liberation for the racially dominated and racially exploited Black communities.”

The contention that South Africa is a colonial type of country, in so far as the political, economic and general social conditions of the Black people are concerned (irrespective of their class affiliation) proceeds from the colonial history of South Africa, which saw the British colonial power changing hands with the settler Boer colonists in the continued political rule over the Black people. From the point of view of the constitutional position of the Blacks (despite the recent Botha constitutional changes), they remain as nationally subjugated as were the Zambians, Angolans or Zimbabweans before the independence of these countries. In historic terms, South African Blacks still live

in the pre-independence era of African history; and the main content of our struggle is a reflection of this period of history. This implies the presence, within the South African territory, of a colonised nation (an attribute of the continental history referred to) and the urge by this oppressed nation to form a truly independent and sovereign state — in short, to exercise its right to self determination.

Of course South Africa, in addition to being a colonial type state, is equally a fully fledged capitalist state; and, as is well known, it is the tendency of capitalism to group the population in all its various classes into a single nation existing in a single territory with a single language for commercial exchange. The national movements that arose in classical European history during the final victory of capitalism over feudalism, clearly manifested this tendency of capitalism to form a single national state. A dogmatic recognition of this tendency, however, has led many a political thinker in South Africa as well as abroad to argue that by virtue of the level of its relations of production South Africa consequently consists of a single nation (albeit with racial inequality and racial oppression).

What these political thinkers fail to grasp in the analysis of South Africa are two factors, namely, that this tendency is only a “norm” of capitalism but not an absolute rule, and secondly that the national formation processes in the colonial conditions during the era of imperialism were determined by a set of circumstances distinct from those of classical Europe. And it is this very peculiarity that is the essence of the matter.

What do these two factors signify? The first one signifies that whereas the national state is the form most suited to satisfy the requirements of modern capitalism (as distinct from the secluded feudal principalities), there have nevertheless existed in real life (even in Europe) exceptions to this “norm”, that is, states of a mixed national composition. In making this point, Lenin often quoted Karl Kautsky who remarked that states of a mixed national composition are “always those whose internal constitution has for some reason or other remained abnormal or underdeveloped”. Needless to say, South Africa has for some reason remained abnormal for capitalism, South Africa is a colony of a special type. Apartheid is not a norm of capitalism, it is a form of backwardness, reflecting some kind of pre-capitalist political and economic relations. Apartheid South Africa’s rules of political operation lack conformity with what is best suited to the requirements of capitalist society. Apartheid is a colonial system in which the Black majority in South Africa is subjugated and the White Republic is an internal colonial power.

The second factor (related to the abovementioned) is of the specific features distinguishing one country from the others in different historical epochs. South Africa has never been an extension of Europe. Our national democratic revolution is aimed against imperialism, it is the continuation of the African

revolution whose ultimate goal (within the context of the historical limits imposed by the anti-colonial character of the struggle) will be the total liberation of the continent, with the emergence of an independent Republic of Namibia and the democratic Republic of South Africa — and these two states will be members of the Organisation of African Unity.

It is beyond doubt that in order to free the oppressed nation from this internal colonialism, the colonial state of White supremacy must be destroyed and a new one built. Self-determination of nations means precisely this political separation from oppressive national bodies and the assertion of independence. It would be absurd to insist on the word “self-determination” without understanding that the oppressed have a right to set up their own state, one that shall be based on the principles embodied in the Freedom Charter, a perspective of democracy that envisages the creation of a united people in South Africa without national inequality or racial seclusiveness. It is this colonial origin of the problem in South Africa which demarcates the oppressor and oppressed nations within the borders of a single country.

The Twofold Task of the Proletariat

What should be the attitude of the White workers to the struggle of the Black people for self-determination? And what should be the attitude of the Black workers to the workers of the oppressor nation?

Theoretically speaking (and this was demonstrated by Karl Marx with the example of the struggle for the independence of Ireland), the successful struggle against exploitation requires that the working class be free of nationalism. If the working class of any one nation gives the slightest support to the privileges of its ‘own’ national bourgeoisie, that will inevitably rouse distrust among the proletariat of another nation; it will weaken the international class solidarity of the workers and divide them, which is exactly what the bourgeoisie want. To have complete trust in White workers, the Black workers must be convinced that the White workers are no longer infested with the national chauvinism of Arrie Paulus or Botha and Malan, and that they place fraternity with the Black workers above the privileges they obtain from the White bourgeoisie.

Karl Marx’s position on this question is most clearly expressed in the following extract from a letter he wrote to Engels on December 10, 1869:

“Quite apart from all phrases about ‘international’ and ‘humane’ justice for Ireland...*it is in the direct and absolute interest of the English working class to get rid of their present connexion with Ireland.* And this is my fullest conviction, and for reasons which in part I cannot tell the English workers themselves. For a long time I believed it would be possible to overthrow the Irish regime by English working class ascendancy...Deeper study has now convinced me of the opposite. The English working class will *never accomplish*

anything until it has got rid of Ireland...The English reaction in England has its roots in the subjugation of Ireland". (Marx's emphasis.)

Marx's policy on the Irish question should now be assessed in the context of the South African revolution. First of all, we have no doubt about the fact that the national question (for the proletariat, at least) is to be subordinated to the social question, to the question of the emancipation of labour from capital. But in so far as there are national contradictions within a capitalist country, moreover ones that, like the cases of Ireland and South Africa, are of colonial origin, the interest of the working class emancipation from capitalist exploitation requires that the workers of the oppressor nation should *support* the struggle of the oppressed nation for self-determination. "In the internationalist education of the workers of the oppressor countries," wrote Lenin in the pamphlet *Discussion on Self-determination Summed-up*, "emphasis must necessarily be laid on their advocating freedom for the oppressed countries and their fighting for it. Without this, there can be no internationalism.." Lenin went further to advise that it is our right to treat every Communist of the oppressor nation who fails to conduct such propaganda as a scoundrel and an imperialist. "If we are to be faithful to socialism", he said, "we must even now educate the masses in the spirit of internationalism, which is impossible in oppressor nations without advocating freedom for oppressed nations". (ibid.)

In advancing this point, that is, this question of the proletarian attitude to the national question, we started by saying: "theoretically speaking". In practice, and contrary to this Marxist policy, the English working class fell under the influence of the liberal bourgeoisie, they became the appendage to the bourgeois liberals and consequently they adopted not a proletarian but an opportunistic policy to the liberation of Ireland. No wonder Karl Marx lamented: "What a misfortune it is for a nation to have subjugated another."

Similarly, the White working class in South Africa is still infested from head to foot with national chauvinism. We often forget that, in fact, it is White chauvinism, the nationalism of the oppressor nation, that is the principal obstacle to the struggle of the workers for socialism. "Aggressive bourgeois nationalism", wrote Lenin in *Critical Remarks on the National Question*, "which drugs the minds of the workers, stultifies and disunites them in order that the bourgeoisie may lead them by the halter — such is the fundamental fact of the times."

Capital Breaks Down

Secondly, what should be the attitude of the workers of the oppressed nation to the working class of the oppressor nation? Again, proceeding from the principle of internationalism, the proletarian organiser from the oppressed nation emphasizes in his propaganda the "voluntary integration" of Black and

White workers. The point is: the development of capitalism in South Africa has already created conditions wherein the workers of all nationalities (despite inequalities) are concentrated in single enterprises engaged in common production. At the point of industrial production, capital breaks down all national barriers, and creates surplus value from the exploitation of workers whether or not they are nationally oppressed. In so far as the capitalist class has to be overthrown, what social force is capable of standing up to the capitalists? That force is none other than the working class.

Lenin reasoned this way:

“Take Russia and the attitude of Great Russians towards the Ukrainians. Naturally, every democrat, not to mention Marxist, will strongly oppose the incredible humiliation of Ukrainians, and demand complete equality for them. But it would be downright betrayal of socialism and a silly policy even from the standpoint of the bourgeois ‘national aims’ of the Ukrainians to weaken the ties of the alliance between the Ukrainian and Great Russian proletariat...”.

The question is: should we advocate and support this policy of unity, integration and the creation of a single political entity in South Africa, which the living experience has demonstrated, or should we start our own inventions like keeping the Black workers in a cocoon, which has not yet been tried out anywhere in the world? The recent critics of our Freedom Charter, the drafters of the ‘Manifesto of the Azanian People’ (meant to be an alternative document to our Freedom Charter) advocate the keeping of the Black workers in a national cocoon. However, the principle of internationalism is the uncompromising struggle against contamination of the proletariat with bourgeois nationalism. To advocate disunity between Black and White workers would be to attempt to turn back the wheel of economic history, it would be to make conclusions that do not proceed from the conditions prevailing in South Africa.

Our task therefore is to have a national programme from the proletarian standpoint. People who have not studied the national question thoroughly think that there is a contradiction in asserting that a revolutionary of the oppressor nation should insist on the right of the oppressed to self-determination (which is an expression of solidarity), while the revolutionary of the oppressed nation insists on the “freedom to integrate” with the proletariat of the oppressor nation. A deeper study of this question shows that there can be no other road to principled unity in South Africa than from this proletarian standpoint.

Lenin paraphrased this two-fold task of the proletariat with regard to the national question thus:

“If a Ukrainian Marxist allows himself to be swayed by his quite legitimate and natural hatred of the Great Russian oppressors to such a degree that he

transfers even a particle of this hatred, even if it be only estrangement, to the proletarian culture and proletarian cause of the Great Russian workers, then such a Marxist will get bogged in bourgeois nationalism...

“The Great Russian and Ukrainian workers must work together, and, as long as they live in a single state, act in the closest organisational unity and concert towards a common or international culture of the proletarian movement...this is the imperative demand of Marxism. All advocacy of the segregation of workers of one nation from those of another....to contrapose one national culture, and so forth, is bourgeois nationalism, against which it is essential to wage a ruthless struggle”. *Critical Remarks on the National Question.*)

“No Nation Can be Free if it Oppresses Other Nations”

There is something of a paradox in the Marxist phrase, reason some people, for how can the oppressor himself be oppressed and therefore not free? Does it mean that Karl Marx, who advanced this aphorism, was utopian? Did Marx put forward a self-contradictory policy on the question of the liberation of the oppressed? How practicable is the advocacy of national unity and the merging of the nations into a single South African political entity?

Further questions. Is the white worker “not just part of the aristocracy of labour which has been corrupted ideologically by some concessions from the ruling class,” but, “in a sense which has no precedent in any other capitalist country a part (albeit subordinate) of the ruling class in its broader meaning?” (Slovo, *No Middle Road*. Are not the economic, political and social interests of the white workers objectives served by the survival rather than destruction of the apartheid system?)

This objective characterisation does not necessarily mean that it is impossible for the members of the White community in general and its working class in particular to take part in the revolution in South Africa. Neither does it indicate that the prospects for building a single non-racial community in South Africa are dim. This analysis reflects precisely the social and political roots of the problem of national relations in South Africa. But without forgetting for a minute that Whites form an oppressor nation in South Africa, or that the South African proletariat has been historically split into two national camps, we equally have not forgotten that the real rulers of South Africa are not the White population in general but its bourgeois class only.

If members of the White community thought that by supporting the ruling class they would then be immune from its fascist and anti-democratic methods of rule, than real South African history is proving them wrong. Yes, let them vote in overwhelming numbers in favour of the new Apartheid constitution, but this shall not obliterate the fact that more and more White draft dodgers are joining the nationwide war resistance movement, that more and

more White churches, carrying with them millions of Christians, are declaring that Apartheid is morally indefensible and a heresy, that more and more White students and academics question the rationale of Apartheid oppression, that hundreds of Whites are joining organisations like Jodac and are affiliating to the United Democratic Front (UDF). The crisis within White power has produced not only the type of Treurnicht, but also the type of Helen Joseph and Molly Blackburn. Nowadays it is no longer only the (black) Dorothy Nyembes that leave their children to go to prison for ANC activities, but also the (white) Barbara Hogans.

We would be poor strategists (indeed even poor revolutionaries) if we failed to analyse the economic and political causes of this White power crisis, if we did not take the enemy's slightest disunity and turn it to our advantage, if we did not know how to utilise that section of the White nation that already feels the erosion of 'democracy' by the State Security Council of police and military generals. Whether such Whites are genuine revolutionaries (seeking radical change) or mere liberals (seeking reforms) is not the main question at this juncture. The point is, since the economic and political crisis that prevails in our country has also caused splits within the ruling nation, we should admit that we can no longer see in South Africa two armies strictly and purely racial in composition, one saying: "We Whites are for racism", and the other saying: "We Blacks are for democracy". Let us not forget that Buthelezi and Matanzima are Black.

And in so far as a real revolution (not one only found in textbooks) is taking place here, one that can never be a "pure" revolution (since no one will ever live to see a pure revolution), the political ferment in South Africa will bring into action all discontented groups and elements of the population. Among these will be included liberals, anarchists, criminal elements looking for possibilities to smoke dagga freely, etc. It may sound ridiculous, I know. But such were the circumstances in the Russian revolution — taking part in it, in addition to Bolsheviks, were speculators, adventurers and small anarchist groups that had accepted Japanese money...but strange as it might seem, all these elements were weakening the back of tsarism.

National oppression is a worm which tends to corrode the very sanctuary of the oppressor nation. It took a man of Marx's thinking capacity to note that "no nation can be free if it oppresses other nations". Of course, it remains an undisputed fact that the black working class remains the principal driving force of our revolution in all its phases, but the acknowledgement of this fact does not dismiss the growing alliance of the people of all nations (albeit slow) in our revolution.