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Australian Marxist Review

- ★ *International economic developments*
- ★ *New problems facing the working class*
- ★ *Australian unions move "Right"*
- ★ *Left Unity*
- ★ *Association of Communist Unity*
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Current international economic developments and their significance

by Steve Mavrantonis

International economic developments and trends are a subject of considerable importance because they affect the economic, political and social life of every country. In this article we will attempt to show the main economic developments of the present period and their affect upon the policies of imperialism and international attitudes generally.

Some of the most significant international economic developments in the period May-October 1986 were the continuing devaluation of the US dollar, the sudden increase of the price of gold and some minor increases in the price of petrol.

The devaluation of the US dollar in September 1986, compared with the same period last year, was 35% against the Japanese yen, 30% against the West German mark and at least 20% against the other major European currencies.

By August 1986 the interest rates in the USA had dropped 4 times since January while in Japan the drop was from 4 to 3.5% and in the FRG had remained steady at 3.5%.

These developments combined with pessimistic forecasts about the US economy, gave rise to intense speculative tendencies in the gold market. The price of gold jumped to \$US440 per ounce from \$US330 in May 1986, an increase of 33%. (All subsequent figures are in \$US)

By the end of July the price of petrol had reached its lowest level since 1985. (\$8-9 per barrel). At the end of 1985 the price was \$28 per barrel.

Following OPEC's decision to decrease production from 20 to 16 million barrels a day, the price of petrol has risen to approximately \$15 per barrel.

The influence of these developments on the economy of imperialism is positive. From the low petrol prices the imperialist centres will gain approximately \$150 billion in 1986 and the petrol producing countries will lose as much.

Some of the dependent countries are also posed to gain, ie, Brazil, Greece and others. These are mainly the petrol importing countries.

In many developing countries however the effects of these developments contribute to a slowing down of their economic growth, resulting in the intensification of economic problems especially that of the foreign debt which is almost certain to reach the unprecedented level of \$1,010 billion by the end of 1986.

Even with these benefits the economy of the biggest imperialist country has not regained its momentum, despite claims to the contrary by the mass media.

Despite the devaluation of the dollar the US trade deficit has reached a record level of \$170 billion in 1986, compared with \$145 billion in 1985. The budget deficit increased \$225 billion from \$212 billion in 1985.

On the other hand the increase of the GDP in the second quarter of 1986 was only 0.6 per cent while industrial production dropped considerably in the same period.

During the month of July two monopoly enterprises went bankrupt: the National Bank and Trust of Oklahoma and secondly, LTV, the largest US steel company which employed 58,000 people.

In 1986, for the first time in their history, the USA owed the rest of the world more than the debtor countries owed them. The US is now the biggest debtor nation with a total foreign debt of over \$1,000 billion, as much as the total debt of all the developing countries together!

The conclusion from all the above is that a new cyclical crisis of the US economy is imminent and that it will most probably be manifested within a short time of a few months.

The dark prospects of the US economy can not be offset by the potential of the other imperialist centres, especially the FRG and Japan. Neither the EEC, Japan, nor the US can pull the capitalist economy forward. Neither of these countries is now in a position to act as the locomotive of economic development.

One of the inevitable consequences of the current economic developments

in the capitalist world is the intensification of the attacks on the living standards of the working people within each individual capitalist country. We have ample evidence of this in Australia.

The 28 million under-privileged US citizens — old aged persons, pensioners, unemployed, unskilled workers — are being squeezed and pushed further down the track of misery and deprivation in order to “stabilise” the profits of big business.

The wealthy few are now taxed 28 per cent on their profits instead of the previous scale of 45-50 per cent and already during the quarter to June, 1986, US companies had declared profits of \$140.8 billion which is 4.1 per cent higher if the tax rebate is taken into account.

The basic feature of this current period is the development of the co-ordination of the imperialist efforts mainly in connection with the stabilisation of the capitalist monetary system, the economic and political utilisation of the problem of the foreign debt of the developing countries and the normalisation of the economic and trade relations between the imperialist countries.

With regards to the monetary system, the Tokyo summit of the big 7 (May 1986) decided to set up a “supervisory group” which will take automatic restructuring measures, when the economy of one of these seven countries — USA, FRG, Japan, UK, France, Italy and Canada — diverts from predetermined economic indicators.

This is in essence a supranational regulation of the seven economies which enables the USA to interfere in the currency policy, the budget deficits and other facets of the economic policy of their imperialist partners.

Notwithstanding these arrangements, however, and the frantic efforts by the leading imperialist countries, the capitalist monetary system cannot be adequately armed against the increasing dangers of inherent contradictions and crises.

Despite some temporary results recorded following the initiative of the “group of 5” in September, 1985, for the blunting of differences regarding the currency exchange rates, the dangers for the monetary system remain as acute as ever. This is mainly due to imperialism’s inability to deal with the causes of the problem: the low growth level of the capitalist economies and the explosive dimensions of the debt of the developing countries.

The imperialists, with the mechanisms at their disposal (International Monetary Fund, World Bank, etc) are co-ordinating their efforts in order to exploit for their own ends the problems of the debtor countries.

In spring last year the IMF and the World Bank decided to establish a joint committee to supervise the “stabilisation” programs and the granting of loans for “structural changes” to the debtor countries. The financing for such

“changes” was to be made in stages, selectively and in circumstances which have created the neo-conservative “political framework for the restructuring of the economy”. (*Wall Street Journal*, 1/4/86)

This selective approach, based on compliance or otherwise with certain conditions demanded by imperialism, has been translated into “lifting of its borrowing rights” in the case of Peru.

In other words, the IMF said to the Peruvian Government: On your total foreign debt of \$14 billion you were obliged to pay a sum of \$180 million by August 15, 1986. Instead of this, because you resist the implementation of our economic prescriptions, you have not been able to pay more than \$35 million. For this reason we prohibit the granting of new loans to your government.

New Theory

The case of Peru is a classic example of the practical implementation of a new economic policy towards the debtor countries which has been expounded for some time by leading capitalist economists and ideologues, as part of a new theory about the essence and means of handling of the foreign debt of developing countries.

Only three years ago the prevailing view of the international financial circles and leading imperialist centres, under the weight of the Reagan Administration policies, was the granting of new loans, coupled with austerity programs. These arrangements were designed to enable the developing countries to service their existing loans and thus increase their foreign debt. By the middle of 1986, however, a new theoretical approach to this problem had been developed.

This new approach is based on three main assumptions:

- 1 The granting of new loans has not solved the problem and cannot solve them. It can only increase the debt of the developing countries to such proportions that make it unpayable, even unserviceable and the debtor countries have no option but to default.
- 2 In order to avoid this disaster for the capitalist financial system the granting of new loans should be approved subject to not only strict austerity measures being imposed upon the debtor countries but also subject to “structural changes” aimed at bringing about political changes in the Third World countries, favouring the private sector and free enterprise system.

These “restructuring” programs would ensure the saving of a greater portion of the export earnings of the developing countries which would be made available for paying the interest and eventually reducing the principal of existing loans.

- 3 In addition to these “programs” the creditor countries and their instru-

ments (IMF, World Bank, etc) should use the loans to developing countries as means of not only influencing their economic development but of imposing the political structures acceptable to imperialism. The loans and the difficulties of the foreign debt are used as levers to undermine the position of those countries with progressive regimes which follow the non-capitalist road of development.

The aim is to overthrow these regimes and replace them with governments prepared to toe the imperialist line and implement the prescribed "programs".

One of the most notable exponents of the new theory is Paul Craig Roberts, Professor of Political Economy at the Centre for Strategic International Studies, Georgetown University.

In a recent article he writes:

"The Third World debt problem is the result of a post World War II development strategy that concentrated in the hands of Third World governments both the resources and the rationale to deny their subjects economic freedom. Such development planning smothered the private economy and allowed governments to monopolize economic life.

"This meant in turn, that it was far more important to be active in politics than in business. An entire culture has grown up around this reality, making it difficult for entrepreneurs to operate outside the political arena.

"For the debt crisis to be solved, the culture engendered by development planning has to go..." (*International Business Week*, September 29, 1986)

The basic rationale of this old thinking presented in a new form, is that the private sector should be set free to solve the debt crisis.

The new theory is exerting so much influence upon US policy makers that Democrat Senator Bill Bradley (N J) has called upon the US to offer interest rate relief in exchange for free market policy reforms to countries which are "heavily socialised one-party states".

This call is nothing but an attempt to use the debt situation as a lever for political blackmail.

The deficiency of this new approach is that it ignores the facts and consequently draws wrong conclusions.

The fact of the matter is that the overwhelming majority of the third world countries with the highest foreign debt belong to the private enterprise, free market economies, something the honourable Professor Roberts tends to forget. (Mexico, Brazil, Argentina, Pakistan, Chile, South Korea.)

The intention of the above theory therefore is not to solve the debt crisis,

because it is not the lack of private enterprise that has caused it, but to put the blame for it squarely on the third world countries and to create the framework for understanding the political stability of these countries which follow the non-capitalist road of development.

The Real Reason

The real reason for the debt crisis and the economic problems of the third world countries is the uneven distribution of the global wealth caused by imperialism, the plundering of the material and human resources of those countries by a few powerful multinational corporations and the unequal trade and economic relations between the developed capitalist countries and the developing nations, enforced by the system of imperialism.

Unless these relations change radically there is no way of solving the debt crisis and these relations can only be changed by the introduction of a new international economic order.

To illustrate the imperative need for a change in the international economic order, we will give some facts and figures concerning the socio-economic position of the third world countries as against the developed capitalist world.

The developing world consists of more than 120 states and half of the world's population. yet it accounts for only one sixth of the world's gross national product and for about one tenth of the total expenditure in education.

Third world countries use only one fourth of the world's energy and one third of its grain. As a result there are over 1,000 million illiterate and 800 million starving people. Every day 80,000 people starve to death in those countries.

The gap between the industrialised and the developing countries has been steadily growing. At the beginning of this century the difference in levels of per capita national income was 6:1, it was 7.5:1 in 1930, 10:1 in 1960 and 13:1 in 1980. It is anticipated the gap will increase to 25:1 by the end of this century.

In the developing countries the per capita gross domestic product averaged \$140 in 1950 and \$280 in 1977. In the advanced capitalist states the respective figures were \$1,570 and \$1,500.

Because of the growing gap in the prices for finished products and of those for most types of raw materials, imposed by imperialism, the developing nations, lose annually \$30,000 to 35,000 million dollars.

The monopolies' manipulation of the purchase and sale of goods through intra-firm channels alone causes the developing nations losses to the tune of \$40,000 million a year. Because of devaluation of their currencies, due to imperialist manipulations of the monetary system, third world countries lost \$13,000-\$14,000 million annually in the period 1979 to 1980. They also have to pay the monopolies enormous transport costs, amounting to \$4,000-

\$5,000 million annually.

For all these reasons plus the enormously high interest rates charged on loans to third world countries by the imperialist financial institutions, the foreign debt of the young states has increased nearly twenty-fold in the last twenty years.

(Source of the above figures: *A New International Economic Order: Its Advocates and Opponents*, Sofia Press Agency, Sofia, 1983)

The real reason, therefore, for the problem of the foreign debt of developing countries is the policy of imperialism and the new-colonial economic and trade relations it has imposed upon these countries. The solution of the problem lies in the change of those relations and not in political changes favouring private enterprise within the third world countries.

The imperialists, however, are at this stage, combining and co-ordinating their efforts in order to prevent developments in the direction of a New International Economic Order and to speed up the development of "dependent capitalism" in the countries of Asia, Africa and Latin America and to "integrate" them into the capitalist world economy.

The imperialist intentions have been expressed very clearly by the Vice President of the Federal Union of West German Industry, HG Sohl:

"If we want to increase aid to developing countries — thus we must do it — it should be clear that this is possible only within the framework of a policy oriented towards a market (capitalist — Ed.) economy, and not towards the dirigisme of the so-called international economic order demanded by developing nations...we must defend ourselves against those wishing to change the system prevailing in the world arena." (*New International Economic Order*, Sofia, 1983, p 22)

Imperialism's clear intentions and the tendency for greater co-ordination which is the main feature of the current developments, despite the fact that on some secondary issues the major imperialist countries still engaged themselves in trade wars (EEC and US subsidised wheat sales), pose some important new tasks for the international working class and the National Liberation movements.

A greater degree of cohesion, co-operation and unity between the various contingents of the international working class movement is needed in order to combat successfully imperialism's new offensive.

Unity and co-operation is essential between the national liberation movements and the international working class movements.

The growing unity of the anti-imperialist forces is the main weapon for the defeat of the dangerous plans of imperialism and the solution of the problems of both the developing countries and the industrially developed nations.

New problems facing the working class

by William Kashtan
General Secretary
Communist Party of Canada

Our Party welcomes the holding of this international scientific conference on "The Working Class and Contemporary Society". At all times such exchanges are useful, but in the present complicated international situation it is particularly useful. A number of new problems, new challenges, face the working class. Among them are the scientific-technological revolution (STR), the struggle for peace and social progress.

The 27th Congress of the CPSU correctly called for new thinking in the fight for peace and against the threat for nuclear war. This new thinking arises out of the reality that a nuclear war which would destroy humankind cannot be won and must not be fought; that the supreme task for the working class and for all peoples is to unite their efforts for peace, for disarmament.

There is a growing realisation that structural problems of the capitalist system which plague the working class cannot be solved in the context of preparations for war. The socialist system needs peace. The working class needs peace. The working class needs detente and trade among all countries irrespective of social system.

The greatest enemy of humankind is also the greatest enemy of the working class. The enemy is the transnational corporations (TNCs) and particularly those which traffic in death and gain fabulous superprofits from the military industrial complex. The growth of the TNCs spells blackmail to the workers of all countries and often stands in contradiction to whole nations. Increasingly,

therefore, the fight for working-class advance involves the struggle of nations for sovereignty.

The STR is also imposing on Marxists the need for new and deeper thinking on the role of the working class in today's world. The historic mission of the working class is being challenged in some quarters due to changes in the occupational structure of the working class. This has led some circles to assert that the thesis of the historic mission of the working class as gravedigger of capitalism has ceased to be valid in modern conditions. Marx based his conclusions concerning the historic mission of the working class on the fact that it is the chief force in the production of material values.

This has been challenged particularly in the post-war period. The working class, it is said, has become bourgeoisified and lost its revolutionary potential. Therefore, rather than looking to the working class, one must look to the other revolutionary forces such as students, intellectuals and the Third World to bring about fundamental change. This view, popular among some circles during the US imperialist aggression in Vietnam, had a short life.

It has now been replaced by another view: that the working class is disappearing as a result of changes in the structure of capitalism. New forms of production brought about by the STR bring about a decline in old industries and with it of blue collar workers, an increase in the number of white collar workers and a growth in service industry. These circles claim that the absolute and relative growth in the number of white collar workers contradicts Marx's prophecy that the future belongs to the working class.

This conclusion oversimplifies the Marxist concept of the working class. It has never been the Marxist position that industrial workers are the sole constituent part of that class. It is well to recall that it was Marx who, in *Capital*, wrote about the "collective worker". This concept of collective worker covers all who directly participate in industrial production. The working class is composed of wage workers who do not own the means of production, distribution and exchange, who are forced to sell their labor power in order to live and who are directly and indirectly exploited by the capitalists.

In their effort to combat the viewpoint of Marxists on this question, bourgeois and petty bourgeois ideologists say that the new sections of the working class are far from having revolutionary goals, that in fact they support the capitalist system.

While it is true that different groups of working people do not acquire working-class consciousness overnight, it is also true that experience draws them into the class struggle.

No matter what changes capitalism may undergo, no matter how complicated the class struggle and the relations between the classes become, capi-

talism remains a society based on exploitation. And in such a society, the chief factor in the relations between classes remains the relationship of irreconcilable struggle between the exploited and the exploiters.

Thus the changes in the composition of the working class may tend to complicate the fulfillment of the historic mission of the working class, but they do not invalidate it. Exploitation of the working class continues to grow and to act as the catalyst uniting the working class in its struggle for fundamental change. The role and influence of the working class, rather than diminishing, continues to grow. It retains its role of leading revolutionary class.

While the composition of the working class is changing, its size nonetheless grows absolutely as a proportion of the whole population. This is a law of capitalist development. The growth of the working class, the expansion of the strike movement, the greater involvement of the working class in political struggle directed against the capitalist state and in the struggle for peace; all this shows that the power and influence of the working class in the life of capitalist society has grown and will continue to grow.

Those who challenge the historic mission of the working class close their eyes to the decisive role of the working class in the Soviet Union and in other socialist states in the building of socialism and in the titanic struggle for peace. They deny the validity of Marxism and its creative ability to develop policies in changing situations.

More study is needed to update the policies of the Communist and Workers' Parties in the changing situation. It is already clear that the STR is promoting faster growth in employment in the service sectors than in the industrial sections, thereby increasing the relative weight of the non-industrial workers in the working class as a whole. This in turn has the short-term effect of weakening its class outlook. At the same time the growing impact of the new technologies is compelling non-industrial workers to recognise the necessity of defending their collective interests. And this motivates them to join unions. Even the conditions of technicians and scientists are being proletarianised by monopoly's drive for profit.

The rapid development of the STR is exacerbating the contradictions of capitalism. In Canada, the domination of the STR by US imperialism, particularly the military industrial complex, means that it is being used to undermine Canada's independence and sovereignty and to make Canada a collaborator in the US-inspired arms race — in short, to make Canada a part of the threat to world peace. As in so many areas of Canadian social life, there is an inextricable link between the struggle for Canadian independence, for peace, jobs and higher living standards. The task facing the working-class movement is to fight for an alternative that will put the STR at the service of Canada and its people rather than at the service of corporate profit and the US military indust-

rial complex. The STR poses some new problems for the working class and democratic forces.

Who should control the new technology? When it is in the hands of the TNCs and monopoly capital, it will benefit them, not the people. In the hands of the popular forces the full benefits of new technology will assist the all-around development of society.

The issue of control is therefore crucial.

It is argued in some quarters that while there may be some temporary losses in employment arising from the STR, other jobs will be created in the course of its development. In this way monopoly and its media try to hide the negative, even disastrous consequences of the STR under capitalist conditions. The aim of the STR under capitalism is not to create more jobs but rather to secure maximum profits with a smaller workforce. The modernisation program underway in Canada, as in all capitalist countries, has this as its primary aim. A secret report to the Canadian Government during the 1984 elections drew attention to the fact that the STR will result in the loss of one to two million jobs over the next ten years. This report was never made public but its findings are a fact of life. The STR means mass unemployment under capitalism. It means loss of skills and material hardship for large numbers of working people.

This is not to deny that technological change may bring new trades and skills into existence. However, newly created jobs cannot make up for the disappearance of jobs and trades.

In this situation, what should be the attitude of the working class and trade union movement to the STR?

Advancing the argument that "you can't stop progress", the corporations try to convince workers that it is "for their good" that new technologies are being introduced. This, despite the fact that "their good" turns out to be the profits of the corporations and an inevitable loss of jobs for working people.

Workers are not machine wreckers. They are not against technical advance, provided it leads to improved working conditions and increased wealth. But they are against modernisation being carried out at their expense and at the expense of society. Workers have a right to ask: Why should the STR solely benefit the private owners of industry and commerce and not society as a whole? Should their aim be to make capitalism work or to find a way to advance the interests of the people? The extra wealth created by the STR should lead to further improvement of the standards of working people, of social gains and improved educational facilities. The STR increases productivity, but it does so at the expense of jobs. It therefore increases the gap between production and consumption, creating conditions for crisis

phenomena. The new technology must be used, not to enslave and impoverish more and more people, but on the contrary to allow people to live and work better.

The working class and trade union movement are on sound ground in demanding certain conditions within which it will support the STR. Among these conditions are legislation giving workers a say in the introduction of new technology. There must be guarantees of jobs for workers laid off due to technological change. The STR must become part of collective bargaining. The mastering of new trades calls for special training and high educational standards. Governments and employers must be held responsible for training and retraining of workers at trade union rates of pay. Financial resources must be made available for the education and vocational training of workers, young and old, and to help young people, including school children, acquire knowledge and skills.

The STR and the increased productivity it brings about have placed on the agenda the question of reduced hours of work with no reduction in takehome pay, longer paid holidays, increases in pension payments and a lower pension age to boost voluntary early retirement. To win these objectives calls for a maximum effort, maximum unity of the progressive forces on a capitalist-world-wide scale.

Technological change also presents a challenge to capitalism. If it creates mass unemployment, as it does, who will purchase the goods produced? What other industries will be developed to open the door to useful employment for the masses of people thrown out of work? Will capitalism, with its drive for profits, solve these problems or worsen them?

The STR thus raises in sharp focus the need for fundamental change of society to ensure that the people will benefit from technological change. We need to help workers see the difference between how socialism deals with technological change and how capitalism does. The new problems imposed by the STR call for action on a scale not yet undertaken by the working class and democratic forces and by the trade union movement. They demand co-ordination of effort on the economic, legislative and political fields. They demand as never before international solidarity and co-operation.

Changes in the structure of the working class do not mean changes in the class structure of capitalist society. It continues to be divided into capitalists and workers. Despite the hopes of monopoly that the STR would lead to a decline in the trade union movement in Canada and in the militancy of the working class, that it would lead to disunity in the working class, this has not occurred. The number of organised workers in Canada has grown. The proletarianisation of service and office workers proceeds. White collar workers have been and continue to be organised. Necessity has impelled them to take

on similar forms of struggle as blue collar workers. Unity between blue and white collar workers has grown although areas of disunity exist. The STR has undoubtedly created new problems for the working class.

The STR takes place in an uncertain economic situation, large-scale unemployment and a continuing offensive against the working class. This offensive is wide ranging. Despite a so-called recovery, mass unemployment continues. It is no longer a straightforward cyclical problem that will go away with further growth of the economy. Even with some economic growth, few if any additional workers are needed. What one sees, as an economist put it, is “jobless growth”. A reserve army of permanently unemployed has once again been created to be used against the working class. The period when monopoly was compelled to make concessions is over. It is now exacting concessions from the working class. Wherever it can it pursues wage-cutting policies, and where it cannot do so directly it does so indirectly through a two-tier wage system and part-time work. This goes together with anti-labor legislation, growing attacks on trade unions, increased use of coercion by courts, judges and police to break strikes.

Mass unemployment has weakened the trade unions and has become the club used by government and monopoly to browbeat workers into agreeing to concessions with the hope of holding onto jobs. Those who took that road found that there were no jobs at the end.

Neo-conservatism is using the uncertain and changed economic situation to stimulate tendencies towards class collaboration and social partnership in the labor movement. In the same way as it promises jobs if workers agree to make concessions, it also presses them to go into “partnership” in the competitive struggle for markets. This is one of the forms class collaboration takes today in the capitalist world.

The basic direction of government is to use two ways to get out of the crisis — sharper competitive struggle for markets and growing attacks on the conditions and rights of the trade union movement. This is the meaning of policies of restraint, deficit cutting, high unemployment. Attacks on social programs as such go together with attacks on real wages, which continue to lag behind the rate of inflation.

This monopoly offensive has created a new situation for the working class. The conditions of class struggle have changed. The times of “easy” corporate concessions are gone, replaced by monopoly’s policies of confrontation to exact maximum profits from concessions from workers. Workers have been placed in a dilemma: either make concessions with the vain hope of retaining their jobs or fight back.

Two tendencies have manifested themselves — the tendency to retreat, withdraw from the struggle and play it safe and the tendency to fight back.

Instability and insecurity have opened the door to neo-fascist demagoguery and ultra-leftism.

Experience is showing workers that they will not be able to maintain gains without waging sharp battles on two fronts — where possible and necessary, on the strike front, but combined now, more than ever, with the battle for new economic and social policies, for jobs and policies of full employment linked to the struggle for peace and independence.

Rather than allow illusions to be fostered about social partnership and tripartism, the interests of workers would best be served by advancing and working for a democratic alternative program, a program which could unite the working class and its allies. The critical economic situation opens up better prospects for unity and for more militant action.

The growing offensive of neo-conservative governments against the working class and working people is engendering, although unevenly, a growing counter-offensive by organised workers in both private and public sectors and by the progressive and democratic forces of society. There is growing recognition that united struggle on the economic and political fronts is the key to push back the monopoly offensive. The temporary retreats and setbacks experienced by sections of the working class are beginning to be replaced by new moods, by growing anger, growing militancy, a more organised fight-back as seen in the growing number of strikes. The class struggle is sharpening. The new conditions of struggle call for strengthening unity all down the line.

Growing mass movements against poverty, for equal rights, against racism, have come into being against the policies of monopoly. The family farmer, who is feeling the full brunt of the crisis, is beginning to fight back, creating new possibilities for joint action with labor against their common enemy, monopoly. The organised labor movement is increasingly at the center of the fightback and working to build alliances in the struggle against monopoly.

The drive to organise the unorganised is being taken up with renewed vigor. In Canada, contrary to the experience of many advanced capitalist countries, the unionised section of the working class continues to grow and presently stands in excess of 40 per cent. The pressure for an independent, sovereign and united trade union movement based on class struggle policies grows. It has found reflection in the decision of the auto workers to form a Canadian auto union, followed by the decision of the lumberworkers to do likewise and work to unite all workers in the industry.

There has been considerable growth of unions in the non-industrial field, all of them Canadian rather than what are called "international unions", which operate on both sides of the border, in the USA and in Canada.

Not least, the process of political action by the trade unions is continuing and achieving some successes. Economic and political struggles are tending to join more and more now. At this stage, it may find expression in increased electoral support for social democracy in Canada (the New Democratic Party), in various provinces and on an all-Canada scale. Regrettably, class consciousness is not yet at the level where our Party can be the beneficiary of the turn away from the Big Business parties. This is not only a Canadian problem but also one that is of concern to other Communist Parties, including some faced with a decline in votes.

In this period of monopoly offensive and growing fightback, we see as a central task uniting the working-class and democratic forces and the Communist Party on a common platform of struggle against monopoly power and for the elimination of US control over the Canadian economy. This finds expression at this time in the all-out struggle by the trade union movement and by nationalist and other forces for the defeat of the free trade negotiations between Canada and the United States.

The trade union movement sees in free trade prospects of mass unemployment, the weakening of the sovereignty and independence of Canada. The slogan "Canada is Not For Sale" has become part of the struggle of the trade union movement for independent economic development, an independent foreign policy and a bi-national democratic culture. This struggle has attracted other forces, such as the NDP and Liberals, the farm and women's movement. Efforts have been undertaken to build people's coalitions in all parts of Canada, with increasing success. As the polls show, there is a sharp decrease in support for the concept of "free trade" by Canadians. Communists call for linking up the fight against free trade with the struggle for a democratic alternative.

There are some who say that economic integration with the USA is inevitable and that the best thing to do is accept the inevitable, and go along with it. Americanisation, they say, will replace Canadianisation. The best course to take in these circumstances, they say, is to accept it lying down. This is buttressed by the argument that Canada has no alternative in the face of the existence of various trade blocks from which Canada is by-and-large excluded. The apologists for capital integration claim that integration is an objective process and that nothing can stop it.

This oversimplification covers up the contradictions that capitalist integration brings about, both within the capitalist class itself and between it and the people. With a wave of a hand, they close their eyes to the loss of sovereignty, independence and foreign policy options which free trade would bring about. They exclude as well the battle for alternate policies the Communist Party calls for, including nationalisation under democratic control, restructuring of the economy and an independent foreign policy of peace.

Directly or indirectly, these apologists who advocate integration represent the multinational corporations in Canada as well as Canadian monopoly interests tied to US imperialism, even though from time to time there may appear to be some differences among them.

As we see in Canada, the further the process of economic integration goes the more widespread the opposition becomes, reflecting the rise of Canadian consciousness, awareness and resentment and growing opposition to US domination.

The same applies to foreign policy. The more the Mulroney Government capitulates and supports the foreign policy of the Reagan Administration, the sharper becomes the struggle against it and the wider the struggle for an independent foreign policy.

The trade union movement is not only at the centre of the fight against free trade. It is also increasingly involving itself in the struggle for peace. It has now affiliated to the Canadian Peace Alliance (CPA), which brings together all peace movements, many social movements, churches, farmers, women's organisations and others. The affiliation of the Canadian Labor Congress to the CPA, accompanied by provincial federations of labor and municipal trades councils and union locals also joining the new alliance for peace, will give added strength to the peace movement, which is focusing its efforts on making Canada a nuclear weapons free zone, stopping US cruise missile testing on Canadian soil, and supporting the Soviet Union's moratorium on nuclear weapons testing. The various Soviet peace initiatives, and now its latest moratorium on nuclear testing, have led to greater recognition that there is no "equal responsibility" but only "one responsibility" for international tensions and confrontation — the reactionary forces of US imperialism.

The continued refusal of the US Administration to join in a moratorium on further nuclear testing and, on the contrary, its continuance of such testing accompanied by stepped up armaments shows that US imperialism is determined to achieve military superiority over the Soviet Union and the socialist countries and spread the arms race into space. This dangerous situation, added to by US neo-globalist policies of confrontation, demand ever stronger peace action. Now more than ever is there need for maximum cooperation and coordination of effort by Communist and Workers' parties directed to check and push back the dangerous policies of the reactionary forces of US imperialism. We favour such co-operation, as we favour co-operation of all anti-imperialist forces and all peoples in defence of peace and an end to the arms race.

What is developing is a national movement of major proportions which could challenge and defeat those political forces in Canada which have lined up with US imperialism. The issues of sovereignty and independence are not

minor questions in today's world. *The fight for national sovereignty serves to strengthen the potential of the peace forces opposing imperialism.* They have an explosive character which could not only turn against US domination, but also against those parties and governments which subordinate Canada's national interests to US imperialist aims. This is what is shaping up in Canada today.

The decline of support for the Mulroney Government, as evidenced in recent polls, is not separate from a turning away by growing numbers of Canadians from free trade, from economic and military integration with the USA. This in turn is opening the door for new political alignments which could influence the outcome of a federal election in 1988 or thereabouts.

With this in the wind, our Party has called for the formation of a popular majority outside Parliament to beat back the monopoly offensive and its Tory government.

The struggle against neo-conservative policies is growing in strength in the capitalist world as these policies show themselves to be bankrupt. Nowhere have these policies been able to solve the basic problems of the people. The economic situation has not improved. Unemployment grows and so does poverty. The rich have become richer while the poor have become poorer. Growing disillusionment, and with it growing opposition to such policies, is seen in Great Britain, in the USA, in Canada. Criticism of the system is growing. The credibility of bourgeois politicians is increasingly in question.

Not only are their economic policies under attack, so is their foreign policy course. The growing peace movement has played a significant role in this process, as have the social democratic and socialist parties. What is lacking as yet is united effort by all forces opposed to neo-conservative policies. This is now the key question facing all progressive forces in the capitalist world. The lessons of the struggle against fascism need to be revived and studied, not the least of which is the necessity of combatting every tendency of sectarianism toward potential allies.

Involved here too is the necessity of correctly linking up the struggle in defence of the vital interests of the working class with the anti-war struggle, the struggle against militarisation of the economy with the struggle for a peace economy based on full employment, the hammering out of effective and realistic alternatives to the present course of monopoly and its governments.

We are faced with the problem of how better to link up the struggle for a minimum program with the struggle for a maximum program, the struggle for socialism. A prevailing tendency is to focus on one or the other. However, in the concrete situation the issue that leads forward, the priority task, is the struggle for peace. Any departure from this priority would enable imperialism

to advance its aims.

As has been well said, the historic mission of the working class lies not only in emancipation of all working people from class oppression. It lies also in saving humankind and saving nature.

This spells out the role of the working class in the contemporary world.

Australian trade unions move to the “Right”

by Jack McPhillips

The 1986/87 national wage decision of the Australian Arbitration Commission continues the process of reducing the purchasing power of workers' wages — and consequently their living standards — which commenced with the wage freeze imposed by the Arbitration Commission at the instigation of the Fraser Government in 1982.

It extends already existing wages assessment principles restricting future wages levels, and adds a couple more with the same purpose, ties the working class and its unions ever more firmly into the system of compulsory arbitration and aims to remove the issue of wage levels and associated matters from the area of the work place struggles to the ethereal area of legal argument and economic debate.

Those consequences, so adverse for the working class, are the direct results of a change of emphasis, and in some respects a departure from basic ideological concepts traditionally adhered to by the working class and its organisations, especially the trade unions. Such a change and departure has moved the union movement to the “right”.

That shift of ideology has been led by prominent right wing forces in the working class movement and has been participated in by certain left wing forces. That has in turn affected the working class as a whole.

There has been resistance to this shift. Mild at first, it increased in breadth and depth in the latter end of 1986 and increased in the same forms during 1987.

Evidence of this growing resistance includes opposition to the ACTU

Executive proposal to a Conference of Unions in November 1986, the strike by workers at Robe River and their rejection of compromise proposals advanced by ACTU President Crean, the Victorian nurses' strike, the work bans imposed by the Plumbers' Union, the series of stopwork meetings and strikes by several sections of the workers in connection with the superannuation/productivity 3 per cent and now, more latterly, the wages increase demands of the Building Workers' Industrial Union (BWIU) and the Federated Engine Drivers' and Firemen's Association (FEDFA) in relation to the December 10 national wage decision.

The need is to further increase this resistance.

This should include advancing appropriate wages and associated demands thus disrupting the aims of those hell-bent on lowering workers' living standards and be extended to resisting and rejecting the ideological concepts of the trade union "right".

Several dates and events can be selected as marking the commencement of the move to the "right", in discernible form, by the trade union movement. For purposes here the 1981 Congress of the ACTU is chosen.

Addressing that Congress the then leader of the Labor Party Parliamentary Opposition, 'Bill' Hayden, vigorously advocated a form of what was then being called "Social Contract".

His views were not debated but they were loudly echoed by right wing spokesmen at an ACTU convened Special Conference on several economic issues, including unemployment, near the end of 1982.

Amongst the proposals submitted to that Conference by the ACTU Executive was the establishment of a National Employment Fund to be financed in part by employed workers. But more important for consideration here is the revealing move to the right shown up in the debate.

A pamphlet published by the Socialist Party of Australia, prepared by Anna Pha, dealt with this matter by way of contrasting ACTU records of Congresses held in 1930/31/32 dealing with unemployment and the 1982 Special Conference, which also dealt with unemployment.

The 1930s' Congresses spoke of unemployment as an inevitable product of capitalism, they spoke of the need for extensive action by the Labor Party Government to relieve unemployment and the plight of the unemployed and declared that "only the socialisation of industry....can remove the cause of unemployment".

Anna Pha notes that the 1930s' debate and decisions were "...in sharp contrast to the level of the debate and decisions taken at the 1982 Special Conference on unemployment."

Her analysis of the ideological basis for much of the debate and the proposals the conference considered caused her to comment:

“Delegates to this conference were told by the leadership: ‘We are not here to debate systems or apportion blame’ — delegates were there to ‘adopt practical measures’. (Vice President Fitzgibbon, now retired.)

“The document adopted on unemployment referred to ‘unrestrained wage and price inflation’, the need for us ‘to become competitive as a trading nation’ and the need for a ‘stable economic environment’. The stability referred to by Fitzgibbon in debate was the need for ‘wage stability’”.

She goes on to add: “...the path to recovery was seen to lie with ‘co-operation with and from employers’ and with workers having to pay for recovery, share the responsibility, after all, as Fitzgibbon put it — ‘Who else was going to pay for it’”.

Those views and ideological concepts by right wing forces in the unions, so similar to what is being put to workers today, were advanced in 1982 when the anti-Labor Fraser Government was in office. Therefore, claims of the need to adopt such an ideological position and of the need for adoption of wages restraint based on those ideological concepts as being necessary for close relations between the unions and a Labor Party Government, are ill-founded.

A section of the left-wing forces at this Conference took a different line in the debate to that of the right wing oriented forces and they opposed the conference decisions. But only a short time afterwards the position was changed and the left joined the “right” and, in fact, took a leading part in drafting the document, which was adopted as the ‘Accord Mark I’ almost unanimously by an ACTU convened Conference of Unions in February 1983.

The ideology providing the basis for the ACTU Executive proposals at the 1982 Special Conference and the debating position of the right wing at that Conference became the basis for the 1983 Accord Mark I.

That document which allegedly constituted an agreement between the Hawke Labor Government and the unions and which committed the unions to restrictions of wages levels and rather loosely committed the government to certain undertakings supposedly reflecting the best interests of workers in fact provided the basis for extensive collaboration between the union movement and the employers, i.e., class collaboration.

That form of collaboration, anathema to earlier trade union leaders, was confirmed in extensive form at the infamous “Economic Summit” convened by Prime Minister Hawke in April 1983. The inevitable direction in which such collaboration leads was revealed by speeches of ACTU representatives at that Summit meeting.

The then ACTU President, C Dolan, found approval by quoting a statement by R Hawke, as leader of the Opposition: "Policies of division — the policies of confrontation — the deliberate policy of setting Australian against Australian ... have no part in the true Australian way".

Adding his own concept of a working class ideology, Dolan said: "The ACTU has increasingly sought solutions in co-operative approaches. Our attempts at implementing policies have led to greater and greater emphasis on the need for co-operation and consensus, not conflict and discord". Dolan was speaking about co-operation between workers and employers.

ACTU Secretary Kelty in his speech to the Summit meeting added to Dolan's collaborationist views by saying: "Let me say openly to those employers who sometimes misunderstand the perceptions of the trade union movement that we accept that enterprises need to make a profit, and, in the current environment, may require profit increases to establish increased employment. The trade union movement in this country and the trade unionists who are part of that trade union movement are not ideological lemmings".

An SPA publication, *The Crisis, the Accord and Summit Communique* quoted from some of the speeches by ACTU representatives at the Summit, including the quotes reproduced here. On Kelty's speech that publication commented: "Mr Kelty indicated that the ACTU accepted that there would most certainly be less than full indexation of taxes and even some tax increases.

"Mr Kelty was smart to make a point about ideological lemmings but by what right does he invite the trade unions and the working class to act in practice as lemmings and at his bidding".

The ideology from which the views of Dolan and Kelty arise was also the basis for the commitments given by the unions to the Arbitration Commission not to pursue claims related to wages and working conditions other than in accordance with the restrictive so-called "principles" imposed by the Arbitration Commission in its 1983 National Wage decision.

Such an undertaking was unprecedented in the history of the Australian trade union movement.

That commitment was in accordance with the provisions of the infamous Accord Mark I.

An SPA publication *The Accord and its Consequences* commenting on this Accord and under the heading "The Accord serves capitalism" said: "The most far-reaching features of the Accord and those which will become increasingly objectionable, tie the working class and, particularly the unions, to views, policies and practices which present the unions as being, at least

partially, responsible for economic disorder and instability and impose upon them a large part of the responsibility for correcting that position without disturbing the social order of capitalism and its economic system.”

All subsequent experience confirms the truth of that contention.

The ideology of the right wing was dominant at the ACTU Congress in 1985 and with only mild opposition the Congress adopted the Accord Mark II, which committed the unions to acceptance of discounting the Consumer Price Index (CPI), thus departing from a basic provision of the Accord Mark I for the maintenance of wages levels by means of indexing wages in accordance with movements of the CPI in full. For the first time ever the unions actually decided to ask for a reduction in the purchasing power of wages.

When promised reductions in taxation rates were postponed and the promised introduction of nation wide industry-based superannuation, in exchange for increased productivity — both of which were integral parts of the Accord Mark II — did not eventuate, the dominance of right wing thinking in the working class movement permitted the unions' leaders to “cop” those losses on behalf of workers.

That same state of affairs in the area of ideology lead to the desertion of long standing ACTU policies for wages assessment, including regular indexation of wages in relation to movement of prices, and the adoption instead of what is termed a “two-tier system” of wage assessment.

The result of that policy was the 1986/87 national wage decision which:

- ★ continued the reduction of purchasing power of wages;
- ★ imposed heavy restrictions on the level of wages and working conditions;
- ★ tied the workers and their unions ever more tightly into the system of compulsory arbitration and restricted their rights to pursue claims for increased wages and improved conditions;
- ★ made the unions and their members responsible for improving the efficiency and increasing the productivity of industry.

Those positions of the unions and the detrimental consequences for the workers stem directly from the ideology changes in the ranks of certain sections of the union leadership and the extensive effect of that change on the working class itself.

The basis for that ideology is acceptance of the system of capitalism, acceptance of the inevitability of crises of that system, of common interests between capital and labour and of the responsibility of the workers and their unions to assist to solve the problems of the recurring crises without disturbing the system itself.

Acceptance of that ideology has been facilitated amongst the workers by the changed position of sections of the left wing of the unions.

Noticeable in this connection is the position of the Amalgamated Metal Workers' Union (AMWU) and its leading officials, some of whom are members and former members of the Communist Party of Australia (CPA).

Indicative of this is the position of L Carmichael of the AMWU, formerly Assistant National Secretary of that union and Chairman of the CPA. The *Sydney Morning Herald* (Oct. 10, 1986) reported Carmichael answering a question on whether the "two-tier" system of wages, which he ardently advocated, would see workers better off as saying: "It is doubtful, to be plain about it. What we're setting out to do is to make sure that they will not be worse off over the next ten to fifteen years."

On the willingness of workers to "cop" that line Carmichael said: "I would express the hope that there will be a change in their attitudes as there has been in mine."

The nature of Carmichael's change of attitudes is reflected in a statement he made to manufacturers, i.e., employers as quoted in the *Financial Review* (Jan 9, 1987). "The trouble with Australian industry is that you (the employers) have been more interested in production than marketing, while we (the unions) have been more interested in redistribution than wealth creation."

That change of attitudes is reflected also by Carmichael's successor in the AMWU, G Harrison, who is reported by the *Sydney Morning Herald*, March 3, 1987, as having told metal industry employers at a meeting in Canberra: "One of the major changes in attitude that is occurring amongst the metal unions is our recognition of the need to give greater attention to wealth creation as opposed to our traditional approach of focusing almost exclusively on the distribution of wealth."

The *SMH*, not unreasonably interpreted Harrison as telling the employers that the AMWU "...believes there should be more attempts to make companies more wealthy."

But there are clear and discernible changes in the position of certain left-wing forces.

These commenced at the Conference of Unions convened by the ACTU on November 6, 1986, which launched the "two-tier" wages system. The have been carried much further by reactions to the Arbitration Commission's 1987 National Wage decision.

In clear distinction to previous events in the past five years, there is widespread opposition to that decision and to the views of its acceptability by the "right" and especially by the ACTU leaders.

There are clear indications that such opposition goes to the ideological concepts on which earlier attitudes were based and the opponents include previous supporters of those concepts.

This is a very important and welcome development. But there is still a long way to go down that road before the ideology which guided the unions in earlier periods is again dominant.

The imperative need is for the fight in the area of ideology to be continued and intensified.

More on Left Unity

by Alan Miller

In an article entitled “Left Unity”, published in the March 1986 (New Series No 14) issue of the *Australian Marxist Review*, I wrote: “It is becoming clearer to our Party that Left unity is a matter of profound political importance which requires more theoretical and practical attention”.

I therefore return to the subject and, to help present some further views, recall certain basic propositions advanced in the March 1986 article.

The article put forward the Socialist Party of Australia’s approach to Left unity in an open and candid way for consideration by activists in the labour movement. Beginning with the understanding that, in the context of working class political life, the Left refers to those forces which are committed to class struggle in the workers’ interests and have a socialist-oriented approach to social change, the Party’s position is summarised as follows:

- 1 That ideological differences should not prevent Left unity;
- 2 That the ideological struggle in the Left should be conducted in a principled way and should help strengthen a united Marxist-Leninist force;
- 3 That Left unity should be seen as an essential element of the united front of the working class. Such a front being, in essence, an agreement between Marxist-Leninists and those holding to a different ideological position, including those not necessarily identified with the Left, designed to bring the working class into action around progressive aims;
- 4 That in the whole process of the united front, of which Left unity is a part, the Party which bases itself on Marxist-Leninist ideological unity must be the driving force.

From these positions an important conclusion can be drawn, ie, that there is a significant difference between Party unity, based on Marxist-Leninist ideology, and united front unity based on agreement between political forces holding different ideological positions. Appreciation of this difference is of enormous practical advantage in tackling problems associated with Left unity and the united front.

In its activities concerning Left unity, the Socialist Party of Australia has taken part in formal discussions with other Left parties. The SPA makes no secret of the fact that, in line with its attitude to Left unity work as a whole, it approached these talks having in mind both the question of exploring areas of ideological agreement with a view of estimating the possibilities of organisational unity based on Marxism-Leninism and the question of united front agreement for common action. Not surprisingly, the extent of ideological unity with other parties varies and, as yet, there is no basis for amalgamation with any of the parties. However, the discussions have been useful in defining areas of ideological agreement and disagreement. They certainly have helped consolidate unity on important aims and tasks associated with the development of the united front of the working class. The talks, in all cases, have been conducted in forthright, comradely terms.

Along with formal party to party discussions there has been the joint activity by political forces of the Left, which resulted in a successful national Left Consultation in Melbourne in April 1986 and has brought about organised activity for the National Left Fightback Conference to be held in Melbourne during Easter this year.

Party to party talks have involved political forces associated with the Broad Left Conference held Easter 1986 and, in the activity for the National Left Fightback Conference, there has also been contact with some forces from the Broad Left.

The SPA welcomes all the positive developments which have occurred. In its own work in the Left unity area, the Party has tried to measure up to the substantial and significant task it sets itself in the Left unity process and pledges to try and be even more effective in the work.

Again the Party makes no secret of the fact that it sees Left unity in a deep and long-term sense. The Party sees the possibility and desirability of Left unity taking on a more consolidated organisational form as part of a developed and organised working class united front. Further, the Party sees the united front as part of a wider organised expression of an alliance between the working class and the middle class and various strata also hit by state monopoly capitalism and interested in far reaching social change.

However, the Party strongly contends that it is absolutely vital that in the whole process of Left unity, united front and progressive alliance, there must

be a powerful and influential Marxist-Leninist party giving leadership to the working class in the struggle for anti-imperialist democracy and for socialism. Such a party is necessary to bring scientific socialist consciousness into the whole process and, as part of this consciousness, to ensure working class leadership, ie, an understanding by the working class of its own leading role and acceptance of that role by the allies of the working class.

These far reaching concepts and views are part of the SPA program for a New Democratic Economic System, opening the way for socialism.

The Socialist Party is well aware that Left unity is not only a sound and necessary concept, but an extremely urgent matter. This view concerning urgency is now widely shared in the Left in the face of the activities of the Australian ruling class in supporting the US-led nuclear war drive, attacking the living standards and democratic rights of the working people, and in view of the way in which the Labor Party under Prime Minister Hawke's leadership is opening the way for a dangerous shift to the extreme right in Australian politics.

Having said all this, what are some of the particular matters which have cropped up and with which the Socialist Party must grapple in the area of Left unity?

The first matter concerns how our Party should deal with the strong view held by a significant number of comrades from other organisations that the key to the Left's advance lies in the formation of a new party. From what these comrades say, our Party can only conclude that, although the new party will be to the left of the ALP, it will be a multi-trend, loosely organised party with a general commitment to an idealistic form of socialism so often favoured by the petty bourgeoisie. Certainly it will not be based on Marxism-Leninism, the organisational principles of democratic centralism and the scientific socialist concepts which are essential to a truly revolutionary party of the working class.

Our Party's position, as outlined at the beginning of this article, shows that we have differences with the new party advocates. The Socialist Party maintains that the key to the Left's advance lies in the building of Left unity between political organisations and, as part of that, the strengthening of a united Marxist-Leninist force. The SPA considers that the formation of a Left multi-trend party is not the way to tackle either the question of Left unity or the question of Marxist-Leninist unity.

In line with our Party's approach to the way in which differences should be handled, we certainly think the "new party" comrades have a responsibility to express their views openly just as the SPA has a duty to combat what it considers to be an incorrect approach. At the same time, we should seek to develop united activity around already agreed aims.

Indeed, even if a new party is formed, the basic tasks associated with the development of Left unity will remain. The SPA, irrespective of ideological differences with the new party, would seek areas of principled agreement in order to advance the cause of Left unity and all that flows from it.

In examining the views of the new party advocates, I will refer to the Socialist Workers' Party statement *Towards a new party*. Although this is a statement of a particular party, it does reflect to a large extent the thinking of new party supporters from other sections of the Left.

The SPA conclusion that the new party will be a multi-trend loosely organised party is borne out by the following which appears in the SWP statement:

“A new party should aim to be as inclusive as possible....

“But our basic view is that it should be a *new* (SWP emphasis) party that attempts to reach out to the thousands of unorganised socialists, trade unionists, mass movement activists, disillusioned ALP members and former members who genuinely want to build a democratic, non-sectarian, socialist organisation.....”.

The organisational concept put forward by the SWP naturally follows the multi-trend principle of the new party. The statement says:

“Many of the problems facing the new party will no doubt be organisational. People from different traditions may have trouble aligning their views, reaching compromises etc.

“Clearly, these circumstances mean that a fairly loose organisation will result. Yet it can't be so loose that there is no reality to the party at all. Finding the balance that allows maximum involvement will be a test of the political skills of all who are involved”.

The SPA conclusion that the new party will be a party of petty bourgeois socialism is borne out by the SWP statement when, dealing with the name of the new party, it says:

“No doubt a new name will be the subject of much discussion, and once again flexibility will be necessary. But the concept we need to embody is the *program of social justice abandoned by Labor*. (My emphasis, AM) The more a name can reflect that outlook the better”.

It is true the statement refers to the new party as a “socialist party or a party with a core of socialist ideology”. But the limited and idealistic concept of socialism is revealed in the enthusiasm for what amounts to a party of social reform.

An insight into the kind of socialists the SWP would hope to attract into the new party is given by the statement which says:

“We feel, however, that we should explore the possibility of giving a new party a different sort of name. We think it may be more effective to choose a name other than the traditional Socialist, Communist, Workers or Revolutionary.

“This would give us a chance to influence and win the many unconscious socialists who agree with the main planks of a socialist platform but have become confused by the defects of socialism and the difficulties of building socialist organisations in advanced capitalist countries”.

A party of “unconscious socialists” who have become overwhelmed at the difficulties of building real socialism and of fighting for socialism in countries like Australia will hardly be the best equipped party to provide inspiration and leadership to the Left.

It is clear from the SWP statement that the SPA is entitled to draw the conclusion that the new party will in no way be Marxist-Leninist.

The SPA can only conclude further that the SWP itself has never had serious intentions of building a Marxist-Leninist party in view of the following which appears in the statement.

“In fact, now is the time for the greatest effort on all levels, so that we can fully make our contribution to the creation of a new party, *one more capable of fulfilling the goals for which we founded the Socialist Workers’ Party.*” (My emphasis, AM)

The statement says that with the formation of the new party, the SWP would be put into what is described as “idle mode” while members joined the new organisation, but not, it is said, to operate as a faction.

The serious defects in the SWP’s “new party” approach can be summarised as follows:

A multi-trend Left party, as outlined by the SWP, is bound to suffer from ideological disunity. This will result in the new party being unable to present a single and clear line of advance. Sooner or later the party will experience eruptions and splits. Furthermore, because of the multi-trend character of the party, the brand of socialism put forward will inevitably fall short of scientific socialism. All this will eventually confuse and disappoint those workers who will, at first, be attracted by the new party.

Although the formation of such a new party will not stop Left unity between political forces and the processes associated with this, it will unfortunately hinder such developments.

The rejection of Marxism-Leninism, whether such rejection arises consciously or unconsciously, is the most serious defect in the “new party” approach. Because it is united on the basis of a scientific ideological position,

a Marxist-Leninist party is not only able to play a key role in building Left unity, but is able to deal successfully with all the fundamental questions associated with changing society from capitalism to socialism.

Apart from the fundamental weakness of a Left multi-trend party, the time and energies spent on such a party, will be at the expense of attention to building a fundamentally sound unity between Left political parties.

The “new party” approach all told has a negative effect on Left unity, the united front and the cause of Marxism-Leninism. The struggle for socialism therefore suffers.

Life may well throw up a situation when the formation of a progressive non-Marxist-Leninist party could play a positive role in the overall political situation and would therefore be supported by a Marxist-Leninist party. But to put forward the concept of a Left multi-trend party which weakens the whole Left unity process and rejects a Marxist-Leninist party is an entirely different matter.

There are other questions besides the “new party” view with which our Party must grapple.

There is the question of how our Party is handling its relations with other parties within the Left unity process. Our basic approach is clear enough, but are we doing well enough in the circumstances? In the main, we are making progress and learning all the time. However, we have to deal with two dangers associated with subjectivity.

Firstly, there is the danger of exaggerating another party's Marxist-Leninist development so that we move towards amalgamation in a premature way. Such a move would not be a fusion, but an arrangement which, for ideological reasons already dealt with would eventually fall apart. Secondly, there is the danger of wiping off another party simply because it doesn't do as we would like it to do. That approach will soon undermine the Left unity process.

What should be the SPA attitude to those genuine socialist-minded forces in the ALP? Frankly, it would help the struggle for socialism if such comrades took a Marxist-Leninist position and joined our Party. But if they are not prepared to take such a step and wish to remain in the ALP, our Party will continue to seek to strengthen a principled and comradely relationship based on the concept of Left unity. In the case of those who decide to leave the ALP and continue their activity as individuals or as part of a new political organisation, our Party's basic Left unity approach still applies. However, in the present circumstances, it would seem better than, where socialist-oriented members of the ALP are not prepared as yet to join the SPA, they should continue their activities in the Labor Party. Of course, in the case of expulsions there's no question of choice.

The SPA has to tackle the problem of how to handle elections in the light of Left unity developments. The concept of a Left electoral alliance has merit in current conditions in Australia. There is need to put forward a Left alternative to both the conservative and rightwing ALP forces. There would naturally have to be agreement by the Left about candidates and platform, although Left parties would be entitled, and would be duty bound, to make their own assessment of the overall political situation, taking strict account of the electoral agreement reached.

I am sure our Party could handle the situation so that both the cause of Left unity and the independent role of the SPA are well served.

Certainly an electoral alliance would be a very complex process and all manner of questions would be involved — the position of the ALP Left forces, the consequences of the formation of a new party etc.

Finally, there is the question of the Socialist Party of Australia's own understanding of just what is involved in the Left unity process and the overall strength of the SPA as a Marxist-Leninist party. On both counts our Party needs to improve the position considerably. Much work has to be done ideologically in order for our Party as a whole to appreciate fully the profound character of the concept of Left unity, its dialectical connections with other matters associated with working class unity and the wider people's movement and the role of the SPA in all this. Much work has to be done to strengthen the SPA ideologically and develop its connections, particularly with the industrial working class.

A stronger Socialist Party is the key to the whole Left unity process.

A view of the ACU Conference

by Peter Symon

The Association of Communist Unity (ACU) held a conference last November and adopted a policy statement with the high sounding title, *Towards Communist Unity and Scientific Socialism*. The conference also adopted a document on “structure and activities” which has some vague resemblance to the constitution of a political party. However, the document states that the ACU’s structure is of a “more informal nature”. It is clear that informality triumphed over structure.

The ACU was formed by dissidents who were either expelled from the SPA in 1983 or were persuaded to leave the Party by the Clancy-Brown group. Having split the SPA this group now presents itself as the banner-bearer of “communist unity”.

An important issue in the dispute between the Party majority and the Clancy-Brown minority when they were members of the SPA was the role and structure of a Marxist-Leninist party. They wanted an informal, friendly-society type of party more akin to a circle of like-minded people than a serious revolutionary party. They were in favour of democratic centralism for everyone except themselves.

The ACU is being structured along these “informal” lines. There is no semblance of democratic centralism in the structure set down in the document adopted by the conference.

Another issue disputed by the Clancy-Brown group was the obligation of members to be active in a party organisation. At the SPA’s 2nd Congress held in 1975 they voted against the inclusion of this obligation in the SPA’s Constitution. Now that they are “free” to structure their own organisation such a membership commitment, fundamental to all communist parties, is not included in the membership rule of the ACU.

The original draft of the ACU documents said that membership “requires commitment to Marxist-Leninist theoretical and organisational principles” but this was eliminated in the document adopted by the conference. Membership only requires “support for (the) Aims and Objectives of the ACU”. Yet in another part it is claimed that its aims and objectives are based on Marxist-Leninist theoretical and organisational principles. If this is to be something more than mere words, why not set out these organisational principles in detail in the “structure”?

However, let us see whether the claim to be Marxist-Leninist can be substantiated.

One is struck by the muddle of the very limited policy statement which claims to be a “program”. It jumps from one thing to another, from national to international and back to national again. There is little formal logic in the presentation let alone a dialectical development.

We are told that socialism exists “in the Soviet Union, China and a number of European countries and in Cuba”. The policy statement says that “Vietnam has proclaimed scientific socialism as their goal and Laos and Kampuchea are struggling in the same direction”. We are sure that the heroic people of the three Indo-China states will be interested to know that they have done no more than “proclaim” socialism as their goal. After all, Vietnam is properly described as the “Socialist Republic of Vietnam”.

In addition there exist the Peoples’ Republic of Mongolia and the Democratic Republic of Korea which are socialist states but are not European.

The above quotation that “Vietnam has proclaimed scientific socialism as their goal” brings up another point. The authors of the document and the conference participants did not correct the muddled use of the term “scientific socialism”. The term being used in the international communist movement these days is “scientific communism” but we will set that aside for the time being.

The real question is — what does the term “scientific socialism” or “scientific communism” refer to?

The ACU uses the term in several places to refer to the **system of socialism**. For example, the program talks of “establishing scientific socialism in Australia” when what is meant is the political and economic system of socialism.

The *Dictionary of Scientific Communism* says that “scientific communism (is) in a broad sense, Marxism-Leninism as a whole, a comprehensive (philosophical, economic and socio-political) substantiation of the inevitable collapse of capitalism and the triumph of communism...In a narrow sense scientific communism is the science dealing with wages, forms and methods of

changing society along communist lines... As a component part of Marxism-Leninism (it) is organically linked with Marxist-Leninist philosophy and political economy and rests directly on their methodology and general theoretical foundation." (*Dictionary of Scientific Communism*, Progress Publishers, 1984 p 212)

It is clear that the term "scientific communism" (socialism) relates to the **theory** of socialism and not to the political and economic social **system** of socialism. Of course, socialism, to be successful, must be constructed applying the theories and principles of scientific communism, but the terms are not interchangeable. We do not talk about "establishing" political economy or dialectical materialism.

The ACU's program says that "the Australian variety of scientific socialism will emerge from the struggle to apply Marxist-Leninist theory and practice to the Australian reality", and again shows a muddle about terms. The context of the paragraph again suggests that what is really meant is the Australian variety of socialist system.

What is to be "the Australian variety of scientific socialism"? Is there an Australian "variety" of Marxism-Leninism? Also revealed here is a nationalist tendency often apparent in the position of this group. This is the terminology used by the revisionists who always seek to cloak their abandonment of the general and universally applicable principles of Marxism-Leninism by reference to the "different" conditions and traditions applying in "their" particular country. There are a number of formulations in the ACU's program which confirm this tendency.

The program speaks of "the type of revolutionary party required for the achievement of socialism in Australia firmly based on the democratic struggles and traditions of the Australian people". They do not tell us openly what "type" of party is required but it is certain that it is different to the revolutionary parties which make up the international communist and workers' movement. Let them tell us specifically how the type of revolutionary party needed in Australia will differ from communist parties in other countries.

The ACU's program says the "the economic crisis of over-production is reflected in the uneven development of capitalism".

"Uneven development is an objective law of capitalism which manifests itself in different ways and at different stages of capitalist development". (*Political Economy of Capitalism*, Progress Publishers, 1974 p 293)

The existence of over-production in capitalist economies in particular periods is an aspect of the cyclical crises of the system and arises because the capitalist always acts to limit and if possible reduce the purchasing power of the workers. Commodities remain unsold because consumers do not have the necessary money to buy what has been produced.

The law of uneven development operates whether or not there is over-production.

The mixing up of these two aspects of capitalism is yet another example of confusion about the use of terms.

Terms are plucked out of the air and thrown together in high-sounding phrases which upon analysis have little meaning.

While reference is made to the struggle for peace the ACU document does not set down any peace program. There is nothing about the removal of US bases or about the call for a ban on nuclear weapon tests. No demand is made for Australian independence or an independent and non-aligned foreign policy or for a nuclear free South Pacific.

The program says that the Australian economy is increasingly subordinated to the global aims of US and Japanese interests. What about British capital which remains the largest component of foreign capital in Australia? Is this just an innocent omission?

The ACU calls for an anti-monopoly front. The SPA as far back as its Third Congress in 1978 advanced the concept of the anti-imperialist anti-monopoly front and the present leaders of the ACU voted for this concept. The dropping of the term "anti-imperialist" is a retreat from the broader scope of the "anti-imperialist anti-monopoly" concept.

While still members of the SPA, the present leaders of the ACU recognised the national aspect of the struggle of the Aboriginal people. The SPA's documents described the Aboriginal and Torres Strait Island people as oppressed national minorities with all the political and social consequences that this entails.

The ACU program omits this very important conclusion and contains only vague and often ill-thought out formulations. For example, we are told that "Education is a need in the Aboriginal community to provide positive attitudes within the community and to promote more positive public awareness of their 40,000 year old culture".

Are the Aboriginal people to be educated in "positive attitudes" or does this refer to the Anglo-Saxon community? Is this the only or main purpose of Aboriginal education?

Aboriginal land and mineral rights are seen in terms of "remote" and "wilderness areas". Use of these terms are not only unscientific but indicated an attitude to Aborigines which relegates them to the "outback".

The ACU document says that the ALP "is not in any sense a socialist party"

but then goes on to say that “The socialist objective, once the widely accepted united aim of the Australian labor movement, needs to be revived...” Of course, the ALP must be regarded as part of the labour movement but if the ALP is not in “any sense” a socialist party how can it have a socialist objective?

The document says that the “waste watch committee” was formed by right wing government officials. In fact it is a Liberal Party committee. The program speaks of “neo-imperialism” when what is meant is “neo-colonialism”.

There are many other points which could be made but this is sufficient to show that the ACU program and structures are very poorly thought out and it is stretching the imagination to describe them as Marxist-Leninist in their ideological content.

The ACU conference decided against forming a party but it did set itself that objective and talks about a “united Communist Party”. Very well! That is a noble aim! But if that is a genuine aim why has the Clancy-Brown group been so often associated with splitting activities? They will need to answer many questions about their past if their credentials are to be seriously considered.

Lessons from the Queensland Parliamentary elections

by Ray Ferguson

Although the Queensland State Parliamentary elections held on November 1, 1986 are an event of the past and for many well and truly forgotten, the outcome of those elections should not be seen as an issue confined to Queensland alone. The re-election of Joh Bjelke Petersen and his National Party to government in their own right for a second successive term and with an increased majority is evidence of a general and growing swing to the right in Australian politics and has serious implications for the Australian working people as a whole.

Even before the elections the fascist like policies of the Queensland National Party Government, and their attacks on working people were receiving support on a national scale and Queensland was seen by those of the “New Right” as fertile ground from which to launch their vicious anti-working class crusade.

During the previous three years of National Party rule the attacks on workers and the democratic rights of the people had been unprecedented.

A thousand SEQEB workers sacked, women’s health clinics raided and private files seized, National Parks destroyed, street marches banned — not to mention heavy price increases in government charges for essential services.

These factors, plus the fact that the state of the Queensland economy was the worst in Australia at the time and with serious allegations of corruption and cronyism being levelled against the National Party Government, created confidence that the outcome on November 1 would result in changes to Queensland politics.

This impression was reinforced by the findings of all the opinion polls leading up to the elections which indicated that a hung parliament was the most

likely result thereby forcing the early retirement of Bjelke Petersen and forcing changes to the Queensland electoral system to end the gerrymander. However, as the results showed, both the opinion polls and the optimism were misleading and unsoundly based.

The Nationals were elected to government winning 49 of the 89 seats (an increase of 6 seats on the 1983 election), the Labor Party winning 30 (a loss of 2) and with the combined anti-Labor vote being 55.8% of the electorate.

Although for decades an electoral gerrymander has existed in Queensland, which the National Party inherited from its Labor predecessor and has since used to its own advantage, the real reasons for the magnitude of the National Party's victory go a lot deeper and reflect a combination of growing support for the philosophies of the New Right and at the same time dissatisfaction with the policies of the Hawke Labor Government which has seen them turning their backs on the workers in the interests of big business.

Throughout the election campaign, and consistent with their ideology, the Nationals were successful in their tactics of convincing people that only they could maintain stable government through law and order, that strikes and the power of the unions had to be curtailed, that free enterprise and de-regulation was the only way forward and that failure to re-elect a National Party Government would result in a constitutional crisis. It was a campaign that was based on fear.

Like all such campaigns, unless challenged and exposed to the working people and other democratic forces as being totally false and incompatible with their own class position, such policies become attractive and gain support.

It was precisely the failure on the part of the Queensland Labor Party and the Queensland Trades & Labor Council to take up this challenge and to consult with and to win the confidence and support of the working people that the fascist-like policies of Bjelke Petersen and his National Party became attractive.

During the whole period of the six weeks election campaign the Labor Party deliberately distanced itself from the workers and, instead, based its strategy on seeking to win the support of the middle ground.

Throughout the election campaign neither the Labor Party nor the Queensland Trades & Labor Council attempted to involve the working class at a mass level.

Job meetings, mass rallies, workshop discussions, mass contact with the workers were set aside in preference to strolling through shopping complexes and shaking hands at official functions.

Although an ex-official of the Electrical Trades Union, the leader of the Parliamentary Labor Party, Mr N Warburton, avoided giving any assurance during the recent election that the 1000 sacked SEQEB workers would be offered their jobs back as one could have expected from a Labor leader.

Consistent with this same approach and paying the price for their support of the infamous Accord, the leadership of the trade unions failed to mobilise the workers in opposition to the policies of the National Party.

The trade union leaders' support for the ideology of the Accord and its class collaborationist policies had not only weakened the overall position of the workers but, as shown, had created a mentality on the part of some of these leaders that the workers had a low level of political understanding and their involvement would be a liability for the Labor Party.

All of these negative features, which displayed a serious lack of understanding of, and confidence in, the workers by the leaders of the Labor Party and the Trade Unions, greatly assisted Bjelke Petersen and his National Party in hoodwinking the working people into accepting their false promises of stability and sound economic management.

Five months after the elections, debate in the Labor Party still centres around the gerrymander as being the main reason for their poor performance (although Peter Beattie, the ALP State Secretary, has recently raised the issue of poor performances on the part of some candidates).

While there can be no doubt that a corrupt electoral system does exist in Queensland and is heavily stacked in favour of the National Party, for the ALP to use this as the main reason for their own poor showing ignores the real facts and is simply another case of them burying their heads in the sand.

Historically the National Party has manipulated the gerrymander to secure its base in the rural and some provincial areas with the knowledge that Brisbane and other major cities have traditionally been ALP strongholds. (Until 1985 the ALP controlled the Brisbane City Council for 24 consecutive years.)

After being elected to government in their own right at the 1983 State Elections by winning a number of seats previously held by the Liberals and assisted by the defection of two Liberals with the promise of ministerial positions, the National Party had established a foothold in the Brisbane area for the first time.

At the 1986 State Elections the National Party vote overall increased marginally by only .5% but in the Brisbane area their vote was up by 3.8% with the ALP declining by 3%, and in all but 10 seats the Nationals out-pollled the Liberals.

The increased support for the National Party in the Brisbane area was not a result of any gerrymander as none exists.

Objectively this newly won support for the National Party in the Brisbane area is a manifestation of the failure on the part of the ALP and the trade union leadership to vigorously wage the ideological struggle and to give effective leadership in the face of a massive offensive against working class rights and democratic traditions.

While Bjelke Petersen and his henchmen have been wielding the big stick in the same manner as Reagan and Thatcher, the reformists have been seeking solutions by way of co-operation, collaboration and retreat.

Failure to give proper and decisive leadership served to disarm the workers and to leave them at the mercy of the political claptrap of the Nationals and the New Right.

This resulted in the workers feeling despondent and confused and losing confidence in their traditional trade union base.

Little wonder that the December 1986 ABS figures show a serious decline in union membership in Queensland.

In contesting the State Elections the Socialist Party of Australia (SPA) stood two candidates in the electorates of Logan and Brisbane Central under the main slogan of "Join the Fightback"

The SPA campaign was centred around the Party Program of putting forward policies that offered real alternatives and solutions to the economic and social problems confronting the working people.

In the lead-up to the State Elections, Party comrades in the Logan area had been active in a number of community organisations gaining wide support for their genuine concern relating to unemployment, housing, poverty and even hungry school children.

One such activity concerning the plight of hungry school children was the setting up of a free breakfast program at the local high school. With members of the SPA playing a leading role, the program soon became a target for investigation by the Special Branch of the Queensland police.

Although the Special Branch investigation proved to be a serious blunder it helped in gaining wide publicity and support for the Party's election campaign.

Throughout the campaign the SPA candidate and the Party's policies were featured in the local press.

Another feature of the SPA campaign was the Party's successful challenge of the National Party's misrepresentation of the SPA candidates on their How to Vote cards.

An appeal by the Party to the Chief Returning Officer forced the Nationals

to withdraw their misleading material.

Relying on Party members and close supporters to carry out the necessary leg work of letter boxing Party propaganda, many thousands of leaflets were distributed with polling booths being manned all day, even though in many cases by only one or two Party members.

The cost of running any election campaign is always high but the response to the Party's election appeal was enthusiastically responded to with donations being received from throughout the state.

In accordance with the SPA objective of building unity amongst political left forces, in its election material it also advocated a vote for Socialist Workers' Party candidates and early agreement was reached between the two parties on where each party would run candidates.

Although the outcome of the Queensland State elections is a serious setback for the labour movement, the SPA election campaign was positive, with the Party gaining new footholds to build on in the future and new contacts to consolidate.

It is clear that as a consequence of the Queensland elections, a greater demand with a far more active role will be required of the SPA and its members not only in Queensland but throughout Australia. This was made perfectly clear by Bjelke Petersen on the night of his victory speech when he warned of further attacks upon workers; that there would be no more strikes and the lights would stay on in Queensland and that his policies would spread like "wildfire" throughout Australia and would spearhead the election of extreme right wing governments.

With the elections only a few weeks old, the National Party Government proceeded to deregulate the retail industry by allowing traders to operate 24 hours a day; sponsored a successful application to the Queensland Industrial Commission for the total abolition of penalty rates for casual workers employed in the industry. As a consequence of this action many thousands of shop assistants face the prospect of being sacked and re-employed as casuals.

In the power industry the Government has been successful in establishing a "company union" through the Supreme Court, known as the Queensland Power Employees Association with the objective of eliminating the ETU and other unions from the industry.

Spurred on by its support and the policies of the Queensland Government the Queensland Confederation of Industry, which has strong links with the H R Nicholls Society, is now seeking the total abolition of annual leave loadings for all workers covered by Queensland State Awards (over 500,000 workers).

While these attacks are being mounted and intensified the trade union lead-

ers remain very much on the defensive seeking solutions through the legal processes of the Government's own super structure.

The success of the National Party with their fascist-like policies in the Queensland State elections is a warning bell for the whole of the Australian labour movement.

There is an urgent need for a change of ideological direction by the Australian trade union leaders and a mobilisation for an offensive against Bjelke Petersen and the forces he represents.

Failure to take the initiative will only fan the "wildfire" that is already burning fiercely in Queensland.