



Theoretical journal  
of the Socialist  
Party of Australia

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# Australian Marxist Review

- ★ *SPA 6th Congress*
- ★ *Principles of unity*
- ★ *Peace movement in Australia*
- ★ *Privatisation push*
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# **Australian Marxist Review**

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# Towards the SPA 6th Congress

by L J McPhillips

**The 6th Congress of the Socialist Party of Australia is scheduled to take place in Sydney commencing September 30th to October 3, 1988.**

The Congress is the supreme governing body of the Party and the manner in which the SPA prepares for its Congress bears testimony to the Party's recognition of its importance.

The time between now and the assembling of the Congress is a preparatory period and at various levels of the Party this will be a continuing process from now on. Preparations for the Congress have already commenced and in some respects are well advanced.

The preparatory processes are prescribed in the Party Constitution and they are aimed at ensuring the maximum active participation of the Party membership in the preparations and in the Congress itself.

The business for the Congress will consist of:

- 1) A political resolution.
- 2) Consideration of a re-write of the Party Program.
- 3) Election of the Central Committee.

A draft of the Program re-write prepared by the Central Committee of the Party has already been distributed to Party members through Party Branches. This draft will be considered by the Branches at their annual general meetings to be held in the month of November or December.

Proposals by the Branches for amendment or additions to the Central Committee's draft will be forwarded by the Branches to the State Committees in South Australia, Victoria and Queensland, and to the District Committee in Sydney.

Branches in other areas will forward their proposals direct to the Central Committee. These must be forwarded not later than the end of February, 1988.

The State and District Committees will then consider proposals from the Branches and submit the proposals that those Committees adopt to conferences to be held in June of next year.

The decisions on the draft program by those conferences will then be forwarded to the Central Committee, and the final draft by the Central Committee will be submitted to the Congress.

The Political Statement, which, in accordance with the Party Constitution, "shall deal with the main problems which have faced the Party since the last Congress, problems currently confronting the Party and the problems which it is possible to anticipate in the future and before the next Congress" and "such other matters as the Central Committee considers proper for inclusion in a single Congress document", will be processed in the same way as the proposals in relation to the Party Program.

The Central Committee will finalise a first draft of the Political Resolution at its meeting in January 1988 then forward that to the membership. It will be considered at Branch meetings specially convened for the purpose in March and April. It will be further considered at Conferences of the States and the Sydney District and finalised by the Central committee in July.

The final draft by the Central Committee will then be presented to the Congress.

These processes provide the Party membership with extensive opportunities for input into both of the documents to be presented to the Congress.

Rank and file participation is also provided for in connection with the election of the Central Committee. The members at various levels have the right to make proposals to the State Committees and then finally to the Central Committee concerning persons they consider should be submitted as candidates for election to the Central Committee by secret ballot of the members of the Congress.

The processes associated with the election of the Central Committee are such as to almost entirely eliminate the possibility of the running of tickets and this is a feature which distinguishes the Socialist Party of Australia from other political organisations in the country.

In the preparation of the two documents and their final consideration by the Congress a number of important features need to be taken into account.

## **Program**

The Program is one of two basic documents for parties such as the Socialist

Party of Australia; the second one being the Party Constitution.

Upon this occasion the Congress is not being called upon to consider a new Party Program with certain strategic objectives differing from those in the Program previously adopted.

Instead, it takes the form of a re-write which has certain purposes. These are:

- (a) to eliminate some of the points in the current Program which are considered to be not necessary for such a document and which can be better stated in other publications of the Party, and
- (b) to more clearly state the Party's view on the way forward for the Party and the people of Australia.

Between now and the Congress considerably more experience will have been gained in the process of building left unity and the broader unity of all progressive and democratic forces.

At the time of writing this process seems to be gathering momentum with the adoption of several joint statements by left parties and other joint actions.

The SPA argues for the development of agreement and coordinated activity by the existing left parties as the most realistic and the best way forward.

This same course is being followed by the left organisations in a number of other countries and we should learn from their experiences as well.

On the other hand, some are working for the creation of a new party with a loose organisational structure and with a variety of ideologies.

The SPA has rejected this approach to the way forward which we believe will create illusions for a time and will not lead to effective unity.

The redraft of the Party Program will therefore reaffirm the need for a Marxist-Leninist party and the Congress must ensure that further steps are taken to maintain and strengthen Marxist-Leninist concepts and, at the same time, give attention to the very important questions of unity.

## **Political Statement**

In addition to the pressing problems of unity just referred to, the Political Resolution to be submitted to Congress must address a number of other questions including the following:

- **The struggle for world peace.** The initiatives of the socialist countries in connection with this issue. The stand of the main capitalist countries. The developments in the peace movement and its position at the time of the Congress including the movement in Australia, and the policies of the government of this country on this all important issue.

It will be necessary for the resolution to make an estimate of the issues involved in this question and to advance proposals in relation to those issues.

- **Restructuring processes in the socialist countries.** The extensive restructuring of the economic systems and social and political institutions in the socialist countries is a matter of outstanding importance.

The resolution needs to record this not as a process of historical development alone, but also to make an estimate of the correctness of these processes and to consider their importance for the development of socialist society and the need in the light of these processes for any corrections to previously held views about forms of socialist society.

The resolution will also have to make an estimate of the effect these processes have upon the work of the Socialist Party of Australia in this country.

- **The significance of the developments** in relation to foreign policies of the socialist countries with particular reference to an estimate of the significance of the visits to other countries of leading representatives of the socialist countries.
- **Developments in the Asian Pacific area.** In this connection the resolution will need to record and estimate developments, including an SPA attitude to events and developments in such countries as the three Indo-Chinese nations, the Philippines, Fiji, Kanaky and South Korea.
- **World economic developments.** This must, of necessity, cover much more than the events related to share markets around the capitalist world in the month of October 1987. Those events do not stand on their own and the developments between now and the Congress will most likely reveal a very serious weakening in the economic structures of the capitalist countries.

The need will be to make a carefully calculated estimate of the effects of such events as the share market collapse, avoiding both exaggeration and under-estimation.

The resolution must also offer some views and proposals on how the economic developments in the capitalist world should be met in the interests of the working people.

- **Policies of the Hawke Government.** Many of the policies of the Hawke Labor Government to which the Congress resolution should direct attention have already been implemented. In the preparation period for the Congress and right up until the Central Committee finalises the resolution to be presented to the Congress, these policies will be further developed.

They include economic strategy, democratic rights, privatisation proposals, and revision of education policies, foreign policy including relations with nearby nations and in particular relations with US imperialism and policies towards Aboriginals.

- **Parliamentary and local government elections.** The Political Resolution will need to make an up-to-date estimate of the importance for the Party of participating in elections for Federal, State and local government bodies.

In this connection some recent experiences will need to be considered in the resolution and, on the basis of discussion in the Party to date, a revised attitude towards elections will almost certainly need to be advanced in the Resolution.

This will mean some elevation of the importance of such elections that will require of the Party greater attention to the detail associated with such elections.

The resolution will need also to pay attention to developments in relation to parliamentary elections in Queensland where before the Congress Resolution is finalised, some fresh developments of considerable significance will occur.

- **Issues arising in the trade union movement.** The existing and continuing ideological struggle in the trade union movement is an important issue which must be addressed in the Congress Political Resolution. It is this issue of ideology that lays at the basis of all the other issues arising in the trade unions and leading at the present time to neglect of the interests of the workers.

In tackling this question of ideology the Congress Resolution will deal with such matters as the Report of the Mission consisting of government and trade union representatives which in turn reported to the ACTU Congress and the document issued by the Congress entitled *Australia Reconstructed*.

The Resolution must also address the question of trade union organisations as envisaged in the ACTU Congress document titled: *Future Strategies for the Trade Unions*.

Another issue is the wages system to replace the two tier wage system. This is a matter that will present itself very sharply in the trade unions in the new year when the ACTU is due to convene a Conference of Unions to consider what system should replace the two tier wage system and this matter is in turn to be dealt with by the Arbitration Commission not later than May of next year.

There will be many developments on these issues between now and the time of the Congress, as there will be in relation to other matters that the Resolution must address.

For example the outcome of the Conference of Unions convened by the ACTU and dealing with the wages system is a matter to which the Congress must pay attention. It must also pay attention to the outcome of the ALP Federal Conference to be held in the middle of next year.

In dealing with these questions the Congress through its resolution must set out to adopt a positive attitude in the sense of not being content to merely denounce what may be proposed, or what has occurred, but to also present specific proposals, not for the purpose of rescuing the capitalist system from its current travail, but to replace it as is contemplated in the re-write of the Party Program.

The Program re-write and the Political Resolution are two very important documents for consideration by the 6th Congress of the SPA.

The Party Program must present a longer range perspective and the Political Resolution must point to the position of the Party on issues that have arisen since the last Congress which currently face the Party, and as far as can be estimated, will face the Party in the period between the 6th and 7th Congress.

In those circumstances the consideration of the two documents by the rank and file of the Party at Branch level and at District and State Conferences becomes vital. The leading body of the Party, the Central Committee, in preparation for the Congress must ensure that the Congress documents provide the basis for a great uplift in the concepts on which the Party's work will be based in the immediate future.

# The need and the principles of unity

by P Symon  
General Secretary  
Socialist Party of Australia

**The idea of left unity is gradually beginning to take hold and a willingness to discuss issues in a calmer and more friendly atmosphere is spreading.**

Life itself demands it as the danger of all-destroying war remains acute and the attacks on democratic rights and living standards intensify. Co-operation between left political forces is a pressing necessity given the particular circumstances that have developed in Australia. It is necessary to rebuild the unity and influence of the Left, to combine and stimulate the united action of other political forces in pursuit of social and political demands.

Left unity is necessary if progressive political and social demands are going to be fulfilled. The working people cannot be satisfied with just defending what they have. They must go on the offensive as the banner-bearers of the changes which are needed if the objectives for the immediate and the more distant future are to be achieved.

Work for unity at all levels is not something which, like a coat we put on today and take off tomorrow. It is an all-the-time necessity.

Co-operation in action is necessary as a means of cementing the relationships between the left parties and achieving the goal of unity of the communist movement on a Marxist-Leninist basis. Involvement of left forces in action around day to day demands of the working class and the people provides an essential basis for overcoming ideological and organisational differences in the communist movement.

The position and influence of the Left was much stronger when there was a single, united communist party in the 1930s, 40s and 50s and when that party was guided by Marxism-Leninism.

There are quite a few examples even now of people getting together. The following are not all examples of left unity. Some are of a much broader character and the issues and the actions attract people who do not regard themselves as being of the political left.

The Australian Anti-Bases Campaign Coalition brought together about 120 organisations and many of them had representatives at the recent demonstrations against the US bases.

One of the widest political movements ever seen in Australia opposed the introduction of an ID card and was the main factor in forcing the Government to drop the idea.

There is another movement developing against the ALP leadership's policy of selling off publicly owned services and instrumentalities to private enterprise. This is already a very significant movement.

In the Federal elections various forces helped one another by an exchange of preferences and it was due to this fact that Robert Wood of the NDP became a Senator, joining Jo Valentine in Western Australia as the second "peace Senator" in Federal Parliament.

In April of this year the successful National Left Fightback Conference was held which saw a number of left political parties and politicians joining together for a common purpose.

Just recently statements were published over the names of four political parties on the ID Card. The parties were the CPA, CPA (M-L), SPA and SWP. These are the first such joint statements and hopefully will not be the last. It is an example of negotiations and agreement on commonly held issues.

Left unity is not a thing in itself but is intimately connected with the unity of all the progressive and democratic forces.

We see left unity as the core which is made up of those political forces who see the need for radical political and economic change in society and are prepared to work and fight for it, not limiting themselves to what is called "issue politics".

In welcoming the new spirit of discussion and co-operation a recent meeting of the CC SPA set out a number of principles as the basis for a further strengthening of the whole process of unity. These principles may apply to both left unity and the broader unity of all the progressive forces and organisations. The resolution adopted listed the principles as follows:

1. That ideology should not become a barrier to co-operation in support of policy issues which are held in common.
2. The co-operating organisations should discuss and work out a single issue or a program of issues on which there is agreement together with ideas about how joint action can be taken. Issues upon which no agreement can be reached should be set aside. If discussions involve a number of organisations matters must be decided only after consultation with all the organisations involved.
3. While supporting the achievement of unity at grass roots level, this does not preclude but presupposes that it also has to be achieved at the leadership level of the organisations concerned. Co-operation at grass roots level should not be contrasted with or opposed to unity at leadership level. Both tasks have to be accomplished.
4. The organisations should work on the principles of equality and consensus and only as a final step should majority voting be resorted to.
5. Each co-operating organisation remains independent with the right to carry on its own activities and to publish its views on all matters. It is, however, to be expected that once having agreed to support a particular issue or policy every organisation will then support it publicly.
6. Each organisation will also work to carry out the agreed upon program or if it involves an election, to work for the agreed upon candidate/s.
7. Each organisation must respect other co-operating organisations but have the right to offer criticism if it wishes but to do so in a manner and form which does not damage the over-all cause and the process of unity.
8. Discussion of ideological difference should proceed during the course of the work but to be conducted in a manner which does not damage the cause of unity but strengthens it by helping to overcome differences and adding to the list of issues upon which agreement is reached.

No doubt new experiences will bring out other questions but the above principles have already been tested and found correct in practice.

In the course of time it is necessary to argue out ideological issues. For example, we need to find the causes which led to disunity in the first place. In our view the splits and divisions arose because of some ideas and practices which, although advanced with the best of intentions, were wrong and harmful. The negative results cannot be denied.

There is quite some argument about the ideology of Marxism-Leninism and the role of a Marxist-Leninist Party and they are important questions which have to be resolved.

Some seem to think that the concept of left unity is somehow narrow and

sectarian. Of course, it is possible to be sectarian and this has been a long term problem but it is wrong to suggest that being left is, by its very nature, sectarian.

The other error, which is equally damaging, is to concentrate only on the so-called broad movement and, in effect, disregard the role that the Left has to play by virtue of its political understanding of society and the way in which to change society for the better.

These and a number more questions must be argued out but not in the old way which leads to splits and long term bitterness.

What has been done towards building left unity is only a beginning and much more is necessary.

The fact is that in connection with the movement against the ID Card, the left parties were slow to act and did not work in a co-ordinated way. As a result the leadership of the movement passed largely into the hands of conservative political forces — the Liberal-National Party Coalition and even the extreme right. They opposed the card for their own reasons and not out of any love for democracy. At the same time as opposing the ID Card they are demanding heavy sanctions against trade unions.

This is a dangerous state of affairs and gives the right-wing parties the opportunity to demagogically claim that they are the defenders of democratic rights.

The Left cannot permit any repeat of this situation but it will happen unless the voice of the Left, together with other democratic and progressive forces, is louder, clearer and is seen to be a common united voice.

A number of events confirm that the tendency is towards better understanding and agreement and this must be welcomed, continued and strengthened as rapidly as possible.

# The peace movement in Australia

by Hannah Middleton

**In recent years, the peace movement in Australia has seen a growth in the numbers of people involved and has also begun to take a more political direction as a result of the conscious work of progressive organisations. The movement includes members of various political parties, trade unions, church groups, academics, professional workers, women and youth groups. All are united by the common aim of preventing a nuclear war.**

There are a number of well-established peace organisations and there has been a proliferation of locality peace groups which are not affiliated with any of the national organisations. There are organisations of doctors, nurses, teachers, scientists, artists, lawyers and other specific work groups for peace, there are trade union committees and migrant community peace groups.

Campaigns against the US bases in Australia and against the visits of US nuclear warships have been particularly successful in recent years in attracting people into activity in the peace movement as well as winning wide media coverage.

The breadth and numerical support for the peace movement was graphically illustrated in the large vote won by the Nuclear Disarmament Party (NDP) which in the 1985 Federal elections won seven per cent of the total Australia-wide vote. More recently, Robert Wood was elected to the Senate from NSW as a NDP candidate and Jo Vallentine, standing as an independent peace candidate, was re-elected to the Senate from West Australia.

While the establishment of new peace groups is an indication of the growth

of the movement and the involvement of many more people, the diversity of organisations creates a challenge, particularly when it comes to co-ordinating all the forces to act together.

The strengthening of bodies which will be able to effectively co-ordinate the activities of all peace organisations and have the prestige and policies capable of uniting all the forces for peace is an important task. Without this, the full effectiveness of the peace forces will not be achieved.

## **The anti-imperialist content of the movement**

Since the early 1980s, the peace movement in Australia has increasingly focussed on issues which more clearly reveal the objectively anti-imperialist nature of the movement — against Star Wars, against Australia's nuclear visitors, for the removal of the US bases, and so on.

In addition, much work has been carried out around questions of regional solidarity, making links with the anti-imperialist and anti-colonial independence struggles in the Pacific region. Two countries — the Philippines and Kanaky (New Caledonia) — have been most prominent in this process, with the addition more recently of Fiji as a result of the two coups staged in that country. The deposed Bavadra Government held an anti-nuclear position.

There has been a marked change in attitudes towards the USSR and its role in the peace process. A few years ago, most in the peace movement either attributed equal responsibility for the arms race to the "two super-powers" or did not perceive the USSR as being capable and/or willing to play a major peacemaking role.

The majority of participants in the peace movement in Australia today would still question the motives of both "superpowers" but would simultaneously acknowledge the fact that the ball seems to be almost always in the US court. It has become considerably more difficult for those who try to advance an anti-Soviet position in the peace movement.

While they are not the only factor, the Soviet peace initiatives have undoubtedly played the major role in bringing this shift about. Another factor is a widespread perception of Reagan as dogmatic, reckless and dangerously rigid.

Other influential factors include the example set by New Zealand in banning nuclear ship visits and the treatment it received from the USA as a result; the development of the South Pacific Nuclear Free Zone Treaty and the different attitudes taken by various states towards signing the protocols to that treaty.

## **INF Agreement**

The Gorbachev-Reagan summit in Washington, and the agreement to be signed eliminating intermediate range nuclear forces has been welcomed by

the peace movement in Australia. Like so many people around the world, peace activists here are delighted by the prospect of the first ever agreement which eliminates an entire category of nuclear weapons.

Much of the work done to prepare the medium-range missile treaty will be applicable to any treaty on strategic nuclear arms which follows it. There will be little scope for nations to refuse to agree to provisions for which this medium-range treaty has already set the precedent.

As well as the optimism created by the INF agreement, many peace activists recognise that it covers only three per cent of the world's nuclear stockpiles. This is not a time to relax for there is still a long way to go.

In addition, there are some particular responsibilities which the peace movement in Australia is beginning to deal with.

The International Institute for Strategic Studies in London gave the following breakdown of strategic warhead deployments for 1986:

<b>USSR</b>	30% sea	60% land	10% air
<b>USA</b>	52% sea	16% land	32% air

As well as the INF agreement to be signed at the Washington summit, there is now more confidence than ever that the success of that summit will be followed by a Moscow summit in mid-1988 that will agree on reducing long-range nuclear weapons by 50 per cent.

The INF agreement involves the removal of what are reported to be over 100 Soviet medium-range nuclear missiles in the Asian-Pacific region. However, it has become clear that the US is planning increased deployment of sea-launched cruise missiles (SLCM) in the region. The SLCM build-up is clearly a key to Pentagon plans for circumventing the cuts in nuclear stockpiles the medium-range agreement requires.

In relation to the possible agreement on strategic offensive nuclear weapons, the USA and USSR have agreed in principle on a ceiling of 6,000 warheads each.

Determining the sub-levels in next year's strategic arms agreement is particularly important. The sub-levels determine how the remaining 50 per cent of nuclear stockpiles can be distributed over land, sea and air.

The current US negotiating position is to "drive the Soviets out to sea" — to force them to place more strategic nuclear missiles aboard submarines and other vessels. Pentagon planners are clearly counting on an edge in anti-submarine warfare which would allow the US to pre-emptively destroy what would then have become the Soviet Union's most important nuclear reserve.

Given these developments, the importance of US naval forces in the Indian

and Pacific Oceans — and the US bases in Australia which provide target information, firing orders and so on — will inevitably increase. This demands that the peace movement in Australia continue and intensify its struggle for a nuclear-free Australia, without US bases or visits by US capable warships and planes, and for the Indian and Pacific Oceans to become nuclear-weapon free zones.

## **Multi-issue approach**

In more recent times, there has been a strengthening tendency for the peace movement to go beyond an exclusively anti-nuclear framework and to give greater emphasis to social justice issues in the region and the relationship between disarmament, development and independence.

This clear tendency for the peace movement to gravitate towards a multi-issue approach on the questions of peace and disarmament was illustrated in this year's Palm Sunday rallies, a number of which featured a theme of *Peace, justice and nuclear disarmament*.

It is noteworthy, however, that throughout the country the main issue raised above all others on Palm Sunday was that of the US bases which includes within it the issue of Australia's sovereignty and national independence.

This tendency may well increase in 1988, Australia's bicentennial year, when the peace-justice linkage will be heavily promoted through the Aboriginal land rights issue and related questions of Aboriginal, Australian and regional independence and sovereignty.

## **Federal Labor Government**

The role of the Labor Government remains inconsistent, complicating the work of the peace movement. On the one hand, the government has sponsored a number of progressive resolutions at the United Nations and other international forums and has voted against SDI and for a Comprehensive Test Ban Treaty. It has endorsed in principle a nuclear-free Pacific.

At the same time, it retains the US alliance as the cornerstone of its foreign policy and has strengthened relations with the US military-industrial complex.

It led the moves to limit the effectiveness of the Treaty of Rarotonga. The government came out against a complete ban on the transit of nuclear armed and powered warships and successfully argued in favour of the right of each signatory nation to decide whether it would provide port facilities for such vessels.

The Federal Labor Government has acted as a surrogate and policeman for US imperialism in the Pacific, an approach which has been confirmed and expanded in the recent Defence White Paper.

It has reaffirmed Australia as host for US bases — which are being expanded and upgraded, including to play a role in the US Star Wars plans — welcomes US nuclear warship visits and refused to support the Soviet Union's unilateral suspension of nuclear tests. It permits privately sponsored SDI weapons research and development.

## **Socialist Party of Australia**

The Political Statement adopted at the 5th Congress of the Socialist Party (October 1984) says: "As a part of the peace movement the Socialist Party and its members not only play a part in the various peace organisations and coalitions but also carries on its own work, activity and propaganda for peace in its own name and independently."

Dealing with the Socialist Party's particular tasks, the Political Statement says: "The Party explains and defends the peace policies of the USSR and the other socialist countries and has the responsibility of combatting anti-Sovietism which is the main weapon of imperialism in justification of its war drive."

The Political Statement also says: "The Party has a consistent anti-imperialist position, works for the national independence of Australia and believes that the Australian Government must pursue an independent and non-aligned foreign policy, freed of the US alliance and the obligations such as arise under the ANZUS agreement."

The Report of the Central Committee to the 5th Congress reiterated that: "We have some particular responsibilities, for example to combat anti-Sovietism and anti-communism. We explain the meaning and necessity for relations of peaceful co-existence between states with different social systems. We adopt a consistent anti-imperialist position."

The Party has consistently called for a major campaign against US bases in Australia, seeing in their existence the main threat to Australia in the event of war and a denial of our national independence and sovereignty.

## **Australian Anti-Bases Campaign Coalition (AABCC)**

The founding national conference of the AABCC was held in Sydney in December 1986 with 248 registered delegates attending as individuals or representatives of 67 organisations, including peace, environmental and women's groups, political parties, trade unions, and Aboriginal, ethnic and community groups.

The AABCC is emerging as a dynamic force in the peace movement nationally. In the 11 months since its formation, 137 organisations have affiliated to the coalition which unites in action all the political-ideological strands in the peace movement today.

Protests at Pine Gap, the CIA base in Central Australia, concluded on October 19 with the arrest tally standing at well over 200. The actions were colourful, imaginative and non-violent and clearly put discussion of Pine Gap's role on the Australian political agenda. Anti-bases protests were also staged at Richmond (NSW), Smithfield (SA), Watsonia (Victoria), Cabarlah (Queensland) and Pearce (WA) while solidarity demonstrations took place in New Zealand, the Philippines and England.

The country-wide anti-bases protests were planned and co-ordinated by the Australian Anti-Bases Campaign Coalition (AABCC), a considerable achievement for a group less than a year old.

In 1988, a major focus of AABCC activity will be the US base at North West Cape, a naval communications facility which is able to transmit nuclear first strike orders. The base is a communications station for US nuclear-armed and nuclear-powered submarines in the Indian and West Pacific Oceans.

The agreement for North West Cape expires on June 28, 1988. From December 31 this year, the Australian Government can give 180 days notice to close the facility. The base has existed under a 20-year agreement between Australia and the United States. One peppercorn was paid by the United States as rent for the base.

The Coalition will also participate in anti-warship protests during 1988, under the proposed slogan of *No Tall Ships — No War Ships*. The tall ships included in this slogan is a reference to the sailing ships of the first fleet and thereby links the Aboriginal struggle and the peace movements. This campaign will culminate in nationwide protests during the Bicentennial Naval Review in October 1988 when warships from a large number of countries will be visiting Sydney.

The role of the bases in US first strike plans and in Star Wars is not understood by most Australian people. Many do not know the location of the US bases in Australia or even of their existence.

As a result, it is necessary to link opposition to US bases in Australia with other, more commonly accepted issues already present in the peace movement.

There is growing opposition in Australia to nuclear warship visits and considerable support for the New Zealand Government's ban on such visits to its ports.

A link can be made, for example, between the US policy of fitting its warships with up-to-date Tomahawk cruise missiles and the role the US bases (Pine Gap and the Watsonia network particularly) play in selecting targets for these cruise missiles.

Similar links can be made between the role of the US bases and the visits of B-52s and US nuclear submarines to Australia.

The linking of anti-bases campaigns with the Aboriginal movement's demands has the potential to improve the anti-imperialist content of the peace movement by concentrating on the communality of their "enemy".

AABCC support for Aboriginal Bicentennial protests can involve recognition of the need to fight for the national independence and sovereignty of *all* Australians against imperialism.

The anti-bases movement can become a major theatre for the forces involved in the left unity process to give expression to their unity in action, to add their strength to the movement.

The coalition building in the AABCC has the potential to make a significant contribution towards the process of co-ordinating and unifying in action the variety of organisations which make up the peace movement in Australia.

The AABCC's successful coalition structure underlines the fact that the Australian peace movement can grow in a united way, agreeing to act on issues and areas of political priority.

Such unity will help the struggle for a nuclear-free Australia, securing the future of the country and the region and its peoples. It can also strengthen the contribution Australia makes to the world-wide peace movement in its efforts to hold back the nuclear madmen in the White House, to win acceptance of the Soviet Union's peace proposals and to safeguard our world from nuclear holocaust.

# The privatisation push

by Anna Pha

**The Australian Labor Party (ALP) is seriously split as the right-wing Hawke Government jettisons one ALP policy after another in its efforts to please big business. One of the most bitter and important debates within and outside the ALP is around the question of privatisation. The Prime Minister's stated intention to sell off government assets and enterprises and to reverse the ALP's policy on privatisation has brought to a climax growing concern by a large section of the labour movement over the Hawke Government's abandonment of traditional labour policies and principles. Privatisation as an issue is symbolic of the broader developments under the Labor Government and is, in its own right, important on ideological, political, social as well as economic grounds.**

The ALP platform adopted at the 1986 national conference clearly expresses opposition to privatisation. It says:

“Labor rejects the concept of privatisation and will preserve and develop public enterprise and public investment so as to integrate the policies of public enterprises with broad social and economic objectives.”

Privatisation involves much more than the direct sale of public enterprises. It takes on a number of forms, some less visible than others:

- **Sale** — where enterprises and other assets such as buildings and goods are sold off totally or in part;
- **Deregulation** — which allows private sector competition against the public company in an area where there was previously a public monopoly or restricted competition;
- **Contracting out** — where the public sector contract out to the private sector for certain services and goods;
- **Consumer subsidisation** — where public funds are used to finance the production of goods and services in the private sector;

- **Transfer** — where state functions (often free or heavily subsidised) are no longer carried out by the state, but by the private sector, usually on a “user pays” basis.

Hawke announced the sale of some government enterprises and buildings in the May mini-Budget. He has given notice of his intention to reverse ALP policy. Without waiting for this the privatisation process is already well under way, more by stealth than open declaration. It has been occurring across the board to varying degrees at both Federal, State and municipal level. Health, education, police and security, transport, communications, housing and welfare have all been affected.

While the larger enterprises such as Telecom and the Commonwealth Bank have not been sold (yet), privatisation is rapidly advancing by all of the methods just listed above.

The sale of dockyards, clothing and aircraft factories, railway stock and closure of maintenance workshops is well underway. Government legislation for the deregulation of the two airline agreement has gone before Parliament. Existing and new areas of Telecom's charter are being deregulated and private enterprise is moving in. Businesses and government enterprises are using private courier services, private security and even the defence department contracts out security functions to private outfits. In the education field subsidisation of private schools has rocketed under Labor with an average Commonwealth outlay of \$328 per public school student and \$1,187 per private school student projected for 1988. Public hospitals are being closed and private hospitals and doctors heavily subsidised. In addition to these developments the State is cutting back its role in the welfare area. Public housing and childcare are being increasingly left to the private sector to operate on the “user pays” principle.

Privatisation is a policy being pursued by governments in capitalist countries around the world. In the present economic climate, with “shrinking world markets”, over-production and in search of potential areas for capital investment, big business are turning to government enterprises and services as a new source of profit making. They are only interested in buying or entering areas in which a profit can be made. They have no intention of providing better and cheaper services, only increasing private profits. The desirability or need for a service will not be the determining factor. Where a profit cannot be made, the service and with it the losses, will be transferred to the state or the service not provided.

Those pushing for privatisation and deregulation argue the resulting competition reduces prices, provides better services as well as increases efficiency. Some also claim that public enterprises are by their very nature less efficient.

This is not true. There is absolutely no reason why a public enterprise need be less efficient. In fact the contrary is the case. With competent management and democratic functioning of public enterprises and services they should be far more efficient, and perhaps more importantly, more able to service the

needs of the community. As overseas experience has proven, privatisation leads to higher charges for services.

Cross subsidisation is an important factor in sharing the cost of services on an equitable basis so that certain sections of the community are not disadvantaged. For example, Telecom subsidises unprofitable services from those sections of its operations which are profitable.

If Telecom is sold off or opened up to competition the private sector will only be interested in the most lucrative areas. The taxpayer might be left with a \$500 million bill for the rural telephone services that are currently cross-subsidised by Telecom.

Private enterprise is not interested in equitable costs of services. The intrusion of private ownership will result in increased costs and reduced access for many recipients of services.

Competition between parallel services only leads to wasteful duplication and problems of compatibility of equipment and services. For example, there is nothing efficient about two or three almost empty planes flying the same route at the same time.

This is not to deny that there are inefficiencies in public companies such as Telecom or the public transport system. Unions have pointed these out for years and attempted to have them redressed. Such inefficiencies do not arise out of the public nature of the enterprise. In the main they can be attributed to management, usually recruited from the private sector, who often support the privatisation of the organisations they are running.

The Government also places a number of restrictions on the operations of public enterprises, particularly where they compete with the private sector such as in the case of Australian Airlines. These restrictions are allegedly to prevent the public enterprise having an unfair advantage over the private one! This in itself builds in inefficiencies and ensures prices are pushed up to levels that satisfy the rate of profit expected by the capitalists.

Changes need to be made in the way public enterprises are run. The present trend is to copy or even be a pace-setter for the private sector in administrative and industrial practices. Union bashing is quite sophisticated and highly developed in Telecom, hospitals and other institutions.

Claims that "competition", as against a public monopoly, holds prices down and increases efficiency do not stand up in practice. Experience shows that the monopoly by the public enterprise is replaced by a totally unaccountable monopoly in the private sector.

The tendency is for fewer and larger companies to dominate. Very few companies will be able to afford to buy enterprises of the size of Australian Airlines. It is hotly tipped that Australia's trans-national corporation, TNT, is likely to snap up Australian Airlines if Bob Hawke gets away with his plans.

The media is an excellent example of the monopolisation process. The only

remaining more or less independent media is the ABC and this too is under attack.

Not unconnected with the assertions of inefficiency are claims that public enterprises are unprofitable and so should be sold-off to the private sector. The sale would allegedly relieve the "burden" on the poor taxpayer, and the private sector would know how to run them profitably.

In fact some public enterprises are profitable. Telecom pays over \$1 billion a year to the Federal Government. The Reserve Bank dividend payment to the Commonwealth in 1986-7 was \$2,934 million.

But profitability is not the only question. Behind the argument of alleged poor profitability of public enterprises lies an ideological position that runs contrary to traditional labour policy and interests.

It assumes that all enterprises should be profitable, that profitability is a desirable and the only objective.

The profit-first motive ignores safety, the environment and social aspects and it serves the interest of a small minority. It has a tendency to increase foreign ownership and control of our economy.

Experience once again verifies this. Important services such as child care and nursing homes, when run on the basis of profit first, have resulted in lack of services, neglect of care, poorer quality of service and short cuts at the expense of the individual.

It has recently been put by Senator Evans, an ardent supporter of privatisation that if enterprises are not sold off, then the Government will have to cut back on its program of social reforms. A great deal is being said about the need for massive injections of funds into public enterprises such as Qantas and Telecom for modernisation purposes. The cost of running services is pitted against social expenditure. (Many pushing this line, however, do not favour increased social expenditure.)

These arguments fail to recognise the financial contribution that public enterprises have made to the state, and the restrictions made on their development by the Government. If the Government was seriously concerned about social expenditure it would be arguing for the development and extension of the public sector to the exclusion of the private. In that way additional revenue could be raised to fund welfare and other services — not less.

Public sector involvement in the economy, the Government's budget in particular, is the means by which a considerable part of the national income can be redistributed according to people's needs. Social expenditure and public ownership should be developed in conjunction, not pitted one against the other.

It is also claimed by the Treasurer and Prime Minister that the sale of assets will provide a one-off lump sum which could be used to reduce the Budget deficit, the public sector debt of \$67.5 billion, and reduce the public interest

burden of more than \$8 billion. These arguments appear quite compelling on the surface.

One of the causes of the deficit is the reduction of the tax "burden" on high income earners and companies. While 11.6 per cent of government revenue came from company taxation in 1982-3, this had fallen to 10.9 per cent in 1986-87. The share from individual taxation remained fairly constant at 52.7 per cent.

This reduction in contribution by company taxation is far more serious than it appears at first because it occurred together with a decline in the share of national wealth going to wage and salary earners and a considerable rise in the share going to profits.

In the long run privatisation will mean loss of considerable regular revenue for the Government of billions of dollars. Over 4 per cent of government income is from public sector enterprises. (In the mid-1960s it was 9.5 per cent.)

The purchase money for public enterprises will have to come from somewhere. It may well come from overseas, increasing our foreign debt. It is also likely to divert investment from socially useful purposes such as housing.

The raising of revenue by selling-off public assets does not tackle the cause of our problems. It will not solve them and will not prevent a recurrence or even solve them. It mortgages our future.

The public sector has provided a service to the community, as well as infrastructure and services to business. Many of these, by their very nature, need to be provided on a centralised basis.

The public sector is also a major employer. Until recently it took on large numbers of school-leavers and apprentices and gives considerable assistance in the training of its workforce. The private sector is not interested in carrying such costs.

The dismantling of the public sector will result in a direct loss of jobs and further losses in important areas such as high technology as private enterprise shops overseas for cheaper products. This affects the quality of the product and in many cases safety as well.

Privatisation has been used to crush unions and break down award conditions. The sacking of workers at Newcastle dockyards was done so that the dockyards could be sold without a unionised workforce. This gives the new employers the opportunity to dictate terms and conditions and select its workforce.

The contracting out of services has led to the use of "self-employed" non-unionised labour. Awards go out the window, prices are cut in the short term and so make it more difficult for the public sector to compete.

Privatisation results in loss of public accountability, particularly important in areas of policing, education and the carrying out of research (e.g. for Star Wars).

Ports, air terminals, transport and other similar key areas are important for defence purposes, rescue and other emergency services. Public control and centralisation are vital for the community interest.

Thus privatisation carries with it considerable costs to the community in social, industrial and economic terms.

The social content of public ownership cannot be overlooked. The concept of a collective responsibility of the state to provide and regulate services, to care for the sick, the aged, and the needy, is fundamental to social progress and the beliefs of the labour movement. Policies for universal, free, secular education, for public transport, for public health services, public banks, and so on have throughout this century been pursued by labour.

The principle of a central pool of revenue, to which individuals and companies contribute according to their income is fundamental.

The development of what is called the social wage involves a distribution of wealth on a more equitable basis. It involves a collective responsibility by the community for members of that community.

Education, security, policing, transport, health, housing and many other important areas which are already substantially privatised or deregulated with "competition" between the two sectors are not able to meet society's needs. One only has to look at the hospital waiting lists, 150,000 or more homeless and thousands living in substandard housing. These services are in a state of crisis. Privatisation has brought benefit to the minority who make the profits out of the services.

Privatisation will result in impoverishment, greater inequalities in wealth and deny many the right to a decent living.

Privatisation is a part of a broader political and economic agenda. Pressure has come from both local and overseas investors and financiers for the Government to privatise. It is part of the shift to the right. The privatisation trend is not unique to Australia. In the US, Japan and across Western Europe the process is well underway.

The privatisation push is part of the development of state monopoly capitalism and part of the strategy of the ruling class as it attempts to solve and prevent new economic crises affecting its dominant position in society.

Following the Second World War there was an extended period of relatively strong economic growth. The state had become a major owner of enterprises and provided greater regulation and infrastructure for competing capital. Keynesian regulation appeared to provide permanent growth. That was until the severe crisis of the mid-1970s when a period of "stagflation" set in. Inflation and high levels of unemployment became permanent features of developed capitalist economies.

Monopoly capital abandoned Keynes and turned to "free market" policies. The transnational corporations now seek solutions through deregulation and the elimination of restrictions on their operations. They no longer see the state

as a regulator in the same sense, but seek to assert their dominance over the economic and political life of the countries in which they operate.

Reagan's, Thatcher's and Hawke's policies of deregulation, market economics, foreign investment, lower taxes on the wealthy and corporations, entry of foreign banks, floating of the currency and cuts in government expenditure are all part of this process. So too is privatisation.

Such policies pose new threats for the working class. "Small government" and privatisation mean impoverishment for a larger section of the working class and the abandonment of a collective responsibility for social services. They also threaten the continuation of bourgeois democracy as transnationals dispense with or take over a number of the state's functions. The rise of the New Right at this time is an integral part of this process.

Thus the struggle against privatisation is much more than just an economic one, but part of a broader political struggle against capital as it attempts to strengthen its dictatorship.

The Government has stated that the basis for its privatisation push is not ideological, but economic. Whatever the expressed motives of the Government, they do not alter the ideological basis of privatisation.

The labour movement, the ACTU, the ALP and left political parties have always rejected privatisation on an ideological basis. Its essence is reactionary, anti-working class and regressive. In the present political context it is imperative that the privatisation push be defeated and a program of nationalisation begun instead.

Increased public ownership can bring greater efficiencies, provide better service for the majority, lay the basis for redistribution of wealth on a more equitable basis, address social needs and result in better economic management.

The struggle should centre around making the public sector the dominant factor of the economy, with the nationalisation of banks, energy resources, communications, the media, steel, monopolies, the coal industry and other key sections of big business.

Health and welfare services, education and transport should all be developed comprehensive and public basis.

This process of reversing the privatisation push and extending the public sector should not be developed in isolation. The campaign should be part of a longer term strategy of establishing a new democratic economic system.

The new democratic economic system should include a central government plan for developing the economy in the interests of the people, with controls that would ensure that investment and development served the plan. These controls would include foreign investment, prices, profits, currency, interest rates, capital flows and international trade.

Such policies not only serve the interests and needs of the people and pro-

vide for more stable development, but challenge the power of the monopolies.

The public sector has the potential to be, and should be, a model for developing services according to people's needs and implementing genuine democratic practices for its employees and the community. Of course public enterprises have to be run economically and efficiently but maximum profit is not the main and only end.

As methods of production and communication become more sophisticated and social requirements develop accordingly, the need for centralised and publicly accountable and controlled enterprises increases. Without this, it is impossible to tackle the major economic, structural and social changes required.

The Hawke Government has already sold its soul to big business and now it wishes to sell off the people's assets.

Instead of privatisation the Government should be pursuing, as stated in Labor policy, the development of the public sector.

# Coal in crisis

by Leon Bringolf

**The Australian coal industry is once again plunged into controversy about what needs to be done in a climate of chronic over-production nationally and internationally. This state of affairs has been brought about by a number of factors which are affecting the viability of the industry, the economy and the livelihood of thousands of mineworkers and their families mainly in NSW.**

The first factor, largely out of the hands of Australia, is a deliberate over-statement of coal needs by Japanese buyers and the International Energy Agency.

The second factor is the practice of successive governments in Australia allowing multi-national companies to set their own prices to grab contracts at the expense of their competitors. The problem of companies cutting each other's throats in the market place is as old as the industry itself and has always been vigorously opposed by mineworkers because the result has been invariably the loss of jobs, destruction of valuable reserves by companies taking cheap coal and loss of revenue for the government and, therefore, the economy.

While the above has remained a constant feature, the industry itself has changed dramatically over the last 30 years. It has changed from a labour intensive to a highly capital intensive operation. Also the industry which was set up to serve the needs of internal markets — for growing steel production, energy and for railways and shipping — is now very much biased towards the export of steaming and coking coal to many parts of the world. Japan, which has become the pace-setter for the price of coal worldwide, is a main buyer of Australian coal.

In the late '60s and early '70s coal rose to a pre-eminent place in Australian exports. By 1980-81 coal exports totalled \$1,964.7 million in value compared with \$1,728.7 million for wheat and \$1,454.6 for wool.

During the oil crisis, big transnational corporations were allowed to plunder Australia's coal reserves. Exxon, BP, Shell, Peabody, Rio Tinto Zinc, Mitsui, Mitsubishi and Utah were some of the companies which were encouraged to operate in Australia. Their profits were enormous. Utah, for example, netted \$18 million in 1970 from only one mine. Five years later profits went through the \$100 million barrier and in the ensuing 5 years it averaged a net profit of \$138 million a year.

During this time the Japanese Government and steel mills overstated their tonnage requirements with the result that companies never before interested in the mining of coal invested heavily not only in Australia but South Africa, Canada and the USA. This tactic of overstating tonnage requirements by the major purchasers of coal enables them to manipulate the market not only by playing one company against another but country against country.

In 1972 when the industry had reached a level of 62% foreign ownership the Minister for Minerals and Energy in the newly elected Whitlam Labor Government, Mr Rex Connor, moved quickly to contain a deteriorating situation by bringing all minerals including coal under strict export controls, thus giving the Government a decisive say over all export operations. The legislation gave the Government the authority to approve or reverse export rights, to oversee activities of coal exporting companies, to insist on conformity with the Government's national policy principles and to establish some cohesion in export negotiations.

Whitlam said at the time: **"We cannot allow the future to take care of itself. The steps we have already taken will ensure that the Government is kept fully aware of marketing arrangements covering export prices and supply commitments. This is a prime purpose of export controls. We need to be satisfied that our mineral export policies and practices are in the best interests of Australia and its citizens."**

The release in April 1974 of the Fitzgerald Report on how big mining companies had been milking the national Government through tax concessions and other direct assistance caused a flurry. In his report Fitzgerald showed that out of the \$2,072 million profit declared by the principal mining and oil producing companies in the six years to June 1973, Federal income tax royalties had totalled \$286 million, but costs to the Federal Government for mining assistance had been \$341 million, leaving a shortfall for the Government of \$55 million. A classic illustration of state monopoly capitalism.

In 1974 the Federal Labor Minister for Minerals and Energy stated: "It has been correctly predicted that in the 70s the multi-nationals will truly come of

age. **In Australia we are prepared to accept, meet and defeat that challenge**".

It is history now that a short time later Connor was sacked from the ministry. Less than 18 months after that statement, the Fraser Government was installed in power in Canberra.

The following years of conservative government saw a return to the open slather approach to the coal industry which caused the then Opposition spokesman on minerals and energy Paul Keating to say in the Parliament in 1977: "All manner of companies are getting in for their cut and carving up Australia's coal resources to form the basis of their corporate empires". What a contrast to his position now as Treasurer in the Hawke Government advocating deregulation of industries, including the coal industry, and the financial system.

In fact the present Federal Government has disillusioned many workers with a position of deregulation and privatisation on a grander scale than any other previous government. Following BHP sacking of thousands of workers in the coal and steel industry in the early 1980s, the Federal Government poured millions of dollars into the steel industry without any equity. It was during this time that BHP bought out the lucrative Utah mines in central Queensland.

Now we see the Japanese once again overstating their requirements, causing massive oversupply and companies undercutting one another for orders. Exacerbating the position even further, the Hawke Government removed export controls in September 1986. The companies immediately sent the price of coal down in a mad price-cutting war for markets, causing thousands of jobs to be lost in NSW.

The Australian coal mining industry is the most productive in the world with an increase in productivity of 30% since 1982. It is also highly capital intensive with technology equal to any country and more importantly it is the nation's major export earner, which places added responsibility on the Federal Government to ensure that this valuable resource is exploited in a regulated manner in the interests of not only the mineworkers and their families but for the Australian people as a whole.

It is in this situation that the Miners' Federation has called for the establishment of a National Coal Authority which would, among other things, regulate the marketing of coal overseas and present one voice during the course of export negotiations.

Despite many conferences between Federal and State Governments, coalowners and unions, little headway is currently being made in the direction of a more controlled industry. The Federal Government's policy of industry

deregulation, which suits the multi-national companies, is an abrogation of responsibility to the Australian people. The only course of action left to the workers in the industry and the community is to bring massive pressure to bear on the government to introduce industry policies which serve the short and long term interests of the people, not private profit.

An accumulation of a number of factors has already led to extensive sackings in the coal industry and the closure of some mines. It is forecast that at least 2,000 more jobs are going to go in the near future. The strong resistance of the trade unions has not been able to prevent the consequences of mechanisation and the economic down-turn. "Golden hand shakes" and voluntary retirement schemes may soften the blow but are no real alternative to jobs. The provision of alternative employment is neither guaranteed nor planned for and many miners' families face a bleak future of unemployment.

The case for public ownership is a strong one enabling much more effective market control, the planning of development and the necessary restructuring so that the interests of workers are protected.

Furthermore, the mineral wealth of Australia should be the heritage of the whole people to be exploited for and on behalf of the people. Unless the government actually owns the mines on behalf of the people the private companies will take the resources and the profits leaving only royalties for the government and holes in the ground for the people.

# Local Government elections — our experiences

by Bob Hatton and Costas Costa

**The NSW Local Government Elections, which took place on September 26, provided many important lessons and experiences for the Socialist Party of Australia. The Party ran campaigns in two electoral areas — the South Ward of Canterbury municipality and Riverside Ward in Marrickville.**

In both areas Party candidates came within a few votes of being elected. In Marrickville, the formal first preference vote for the Party candidate was 9 per cent and in Canterbury 15 per cent.

Before looking at the specific lessons and experiences of the two campaigns, it is worth considering the relative importance of local government and the role communists can play at this level of administration.

While the functions of local councils are very narrow, compared with Federal and State government functions, local councils are, nevertheless, an arm of government. They are part of the power structure in Australia.

To this extent, local government serves to uphold the class structure of Australian society and the inequalities inherent in class society.

At the same time the system of local government entails a form of democracy, albeit bourgeois democracy. Opportunities exist for communists and other progressive people to participate in the processes of local government, to utilise this sphere of action to advance the interests of the workers and to pursue policies and strategies which assist in bringing about more profound changes in society.

In present circumstances, local government democracy can and should be utilised in appropriate ways to raise people's consciousness about world peace, to rally people in active defence of living standards and opportunities in the face of economic crises, to raise concern about the oppression of minorities, including the Aboriginal people, to stem the rising tide of racism and to combat the neo-conservative trend in Australian politics and the erosion of workers' and democratic rights.

The right-wing trend is directly affecting local government democracy, as seen in the State government dismissal of the Sydney City Council and plans to permanently disenfranchise the city's residents and ratepayers — events which highlight the necessity to be active around and strengthen people's support for local government democracy.

It is detrimental to the communist movement if the role of local government and the possibilities to work within it are under-estimated. Serious errors can also be made from an over-estimation of local government activity.

Under-estimation can occur by assessing local government as non-political, i.e., that it is purely administrative and that it doesn't matter which party predominates. It is true that local government is not as openly party political as in Federal or State governments. It is often difficult to distinguish the policies and perspectives of the major political parties that participate. Pursuing the facade that there are "no politics in local government", political parties often take part under obscure labels. Nevertheless, local government does not operate in a vacuum but within the total context of Australian political life. Party politics, in one form or another, do govern the workings and policy direction of each local council.

Under-estimation leads to a failure to take opportunities to advance policies which can improve the lives of workers, underprivileged and oppressed people; it can result in missing opportunities to build alliances (including left unity processes) and building the progressive movement through strategies applied at local level.

Under-estimation can deny the Party valuable opportunities to introduce the Party to the people, to promote its policies, not only on local issues but the wider range of policies, and draw people into active support of the party through election campaigning, to promote the party's press and recruit.

Under-estimation would deny the Party political representation and detract from the task of getting progressive people in government. Strong progressive representation would play a role in breaking down people's conceptions that there is a two party political system in Australia and that nothing can be done about it. Successes in local government increase the possibilities of people voting for our own and other progressive candidates at State and Federal level.

There are problems of over-estimating local government which could lead to left forces concentrating predominantly on local politics.

There is the notion that “local government is closest to the people” and therefore the most important government structure. This follows from concepts of “grass roots democracy” and could divert attention from the real power sources in the country and the need to struggle against the monopoly owners whose powers and privileges are enforced much more by the State and Federal governments.

Over-estimation can also divert the Party from its major strategic tasks if there is a concentration of activity on locality-based action and local issues. The key tasks remain the major issues affecting the whole working class, to strengthen the Party’s position in the industrial sphere and establish workplace branches and to be organised to respond to the needs of women, Aborigines, migrants, youth, and other oppressed and exploited sections of society.

The question is not local activity **or** activity in other spheres but how to interconnect our work at each level, making objective and realistic appraisal of how to advance the aims and policies of the Party among the people.

## **Campaign experiences**

The general demand projected in our campaigns was that Councils should be more relevant to peoples’ needs and that the interests of residents should come before the developers, the real estate dealers and others who seek to manipulate Council decisions for private gain.

One of the issues put forward by Party candidates in the September elections was the need to make Councils more accountable to electors and to establish mechanisms whereby residents could have a significant voice in the work and decisions of Council, with the aim of strengthening local government democracy.

Such a policy was seen by many voters as a much-needed change to the way many Councils work. This was not only reflected in the vote received by SPA candidates but also in the high number of votes cast against sitting members and against the major parties in the Marrickville and Canterbury electorates and in other electorates across the state.

The SPA’s participation in the Council elections was not as extensive as it could have been. It was our first experience in this area and was, to some extent, a testing of the water. In retrospect, our campaign tended to be over-cautious.

The campaigns were built around a leaflet drop in each area, a number of posters, one public meeting, social/fund-raising functions and talking with

individuals and groups active in the areas. It is interesting to observe, by contrast, the huge resources used by some other candidates, particularly ALP and Liberal candidates and the votes they received. It is clear that had we used even a small portion of the funds they allocated to these areas, our candidates would have won comfortably. (It should be noted that Liberal candidates often run at local government level as independents — usually local business people or professionals — and use the catch-cry “keep politics out of local government”. Of course, they mean keep all politics except their own out of local councils.)

A factor in the result for our candidates, as with many real independent (not Liberal) candidates, was voter opposition to the major parties. We can generally say that this “opposition” vote was aimed at the general rightward trend in Australian politics today, the economic effects of this on the working people and people’s perception of the attacks taking place on their rights — particularly democratic rights. From information provided by polling booth workers, it is clear that many people voted not on local issues but on national questions, e.g., for candidates that opposed the ID Card or the privatisation push.

Apart from these wider issues, there were important local questions that many voters considered. In Marrickville one of the most important was the Council itself. Marrickville Council has long been perceived as corrupt and dominated by political “heavies”. “Clean up Marrickville Council” was a policy put forward by many non-Labor candidates.

In Canterbury the important environmental issue of the preservation of Wollie Creek was high on the agenda. This long-running battle to save a unique part of Sydney’s natural environment was pushed strongly by local conservation groups and was an issue taken up by SPA candidates.

In preparing for our campaign, the Party considered the questions of main campaign slogans and the extent to which the name of the Party would be projected. The approach adopted was, in Canterbury, to promote our candidates as the “People First” team and in Marrickville, the main call on posters and leaflets was to “elect progressive candidates, make Marrickville a better place!”.

In one ward the election leaflet announced the candidates as members of the Party, in the other ward they were not.

There was discussion and some differences of opinion about this, but the good vote recorded by both teams of candidates confirmed that there needs to be flexibility in deciding the actual presentation of the Party and judgement made taking into account the pertaining circumstances of each local council election.

Our assessment is that the bulk of votes recorded for SPA candidates came

from conscious supporters of the Party and people we contacted directly in the course of campaigning. However, the slogans adopted did appear to be a factor in attracting some voters not previously supportive of the SPA.

An interesting aspect of our work was the discussions held and the agreements reached with the ALP and the Australian Democrats for an exchange of preferences.

In Marrickville an agreement with the Australian Democrats to swap preferences was an important political agreement that shows the possibilities of democratic forces working together in the interests of the people.

In Canterbury, an agreement was reached with the ALP on preferences. This agreement ensured that the position for the third alderman to be elected from the Ward would be between the SPA and Labor and not the Liberals (who ran their team of local businessmen as independents). In the final result, the Labor candidate defeated the Liberal on SPA preferences, although it came very close to the SPA candidate defeating the Liberal candidate on ALP preferences.

In summing up the lessons and experiences at the local elections we can say that this area offers considerable opportunities for the Party. It is possible to get our candidates elected if we run effective campaigns — especially if these are the culmination of good local work by Party branches.

As the experience showed, it was important that our Party members did not look upon election participation merely as a “protest” campaign or as a public relations exercise, but to have as the first and main priority to secure the election of our candidates.

Once elected, Party candidates through their influence and growing knowledge of the area, become vitally important cadres for the further development of the Party’s work in an area. As well, election campaigns even when not succeeding in getting a candidate elected, provide important information and contacts in a locality.

Locality work, and especially local government successes, provide an important springboard for developing Party work at State and Federal levels as well.

A well-run and effective campaign, especially in conjunction with prior Branch locality work, will see the election of candidates to local Councils. Such a campaign will need to have a number of factors — a candidate that can communicate well with voters, good propaganda, effective use of local media, contact with locality organisations, door-knocking of the area, good coverage of polling booths with people who can talk with voters and well-organised logistical support.

While the above points would provide for an ideal campaign at local government level, the fact that a Party organisation is not fully prepared or has little experience in an area should not be a barrier to standing candidates in local government elections. As the NSW example shows, even a small campaign can be very effective and the lessons and experience gained will not only prepare the organisation for better results in future elections but also considerably assist in the general development of Party work at locality level.

The final point to be made is that of building the Party's political influence through participating in local Council elections. While our candidates in Marrickville and Canterbury did not win this time, we can certainly say that our campaigns — and the result — put the Party “on the map” in those areas.

The outcome in both areas has shown that the SPA is a force at local government level — but only if we participate! The important task now in these two areas is to follow up on the work done. The issue in other areas is to start preparing for the future elections!

# The changing role of trade unions under socialism: BULGARIA

by Anna Pha

**During the Federal election campaign the conservative parties and extreme right political forces tried to make trade union power an election issue. Some leading trade unionists appeared on the media defending trade unions, not their rights or powers, but apologising for past “abuses” and boasting the restraint and “responsible” attitude of today’s union movement with record low levels of industrial action and self-limitation of struggle.**

This is in sharp contrast to developments in socialist countries such as the Bulgarian People’s Republic where the role of trade unions and rights and powers of workers are being enhanced. In these countries there is no apologising for working class power.

Following the Russian Revolution, there was considerable controversy over the question of the need for trade unions under socialism, and what role they might play. Right and left opportunism saw them as either State organisations or as forces that should act in opposition to the State.

Lenin defined the role and place of trade unions in socialist society as one of constructive participation and joint responsibility in the struggle to build socialist society. He described them as a transmission belt between the Party and the broad masses. The transmission operates in both directions.

Because the working class is no longer the oppressed and exploited class but has become the ruling class, there are significant developments in the

character, place, role and activities of the trade unions, compared with the position of trade unions in capitalist countries.

Trade unions under socialism retain an important role. Even though the working class becomes the ruling class the trade unions, as mass organisations of the class, continue their protective role, but take on new relations with the State, and play a vital role in the construction of socialist society.

In socialist Bulgaria, trade unions have the function of protecting workers' labour rights, control occupational safety and have responsibilities in social security and recreation.

They have special relations with the Communist Party. These are expressed in the Party's political and ideological leadership of the trade unions and the role trade unions play as a link between the Party and the working class.

The trade unions are public organisations of the ruling working class, and thus their interests coincide generally with those of the State. The trade unions co-operate with the State which establishes the legislative framework for the functioning of trade unions.

As self-governing, voluntary, mass organisations the trade unions retain their independence from the State and the Communist Party, but they are not politically "neutral" or in opposition.

The trade unions are partners of the State on numerous economic and other bodies, and as representatives of the working people participate in or advise on policy formulation. They have participated with State and other public bodies in the drawing up of plans for social and economic development.

Bulgarian trade unions have exercised considerable rights and power in participating in the drafting and application of labour laws. They initiate legislation on matters of labour, social security and living standards.

At the enterprise level they draft regulations and make decisions related to labour relations in the workplace. They have considerable powers of veto in this process.

The trade unions have carried out State functions with their own labour inspectorate in the area of labour protection, and exercise powers to reinstate dismissed workers, stop work in plants and fine managers for breach of labour contracts or laws.

The trade unions have the responsibility to mobilise the working people to support and put into effect the Party's policies, overcoming obstacles, finding better solutions to economic and social problems as well as protecting the immediate interests of workers.

Up until recently, the State bodies, in consultation with public bodies such

as the trade unions, determine the specific tasks of enterprises. The most important management and planning decisions were made centrally. State bodies decided in consultation with trade unions, production, targets, completion dates, prices, resources, distribution of income and employment levels. Management at the enterprise level had the responsibility for day to day operations and organisation of labour, but had little economic independence.

This high degree of centralisation is being broken down and greater economic independence granted to enterprises. The decentralisation process brings with it new and important tasks for the trade unions. Principles and methods of management are being restructured into what is called "self-management". Direct democracy as against representative democracy is being extended into many areas. These changes are not being introduced to correct previous errors but as a new stage in the construction of socialism.

Following the socialist revolution in Bulgaria (in 1944) a high degree of centralisation was necessary. This was required for a number of political, social and economic reasons. The revolution had to be defended and public ownership of the means of production established. The economy itself required radical restructuring and development. A major task was the education of the working class and peasants so that they had the skills to construct and manage a socialist economy.

Bulgaria was backward in development, second last to Albania in Europe. Income per capita was one twentieth of that of the average of developed capitalist countries. It was heavily dependent on agriculture which was poorly developed and used primitive technology. Around 75 per cent of output was from agriculture. Industrial output was uneven in development and was limited to small scale production in food and light industry (primarily textiles). There was virtually no heavy industry. There was no production of the means of production.

Highly centralised planning and economic management and an extensive program of development achieved relatively rapid growth and created the basis for the next stage of socialist construction.

Prior to the revolution 82 per cent of the population was rural. This has now fallen to 27 per cent, but agricultural production has increased. Whereas only 0.4 per cent of exports were industrial goods, they now account for almost 80 per cent. This once industrially backward country is now producing robots, exporting the latest telephone technology and has a large booming shipbuilding industry.

The change currently taking place is not because socialism doesn't work. It arises out of the objective necessity and ability of socialist construction to decrease certain aspects of centralisation and to meet the new tasks and

problems that arise at this stage.

A number of contradictions were appearing as obstacles to the necessary qualitative leap forward in economic and social development:

- a powerful material and technological base had been created but its potential was insufficiently used;
- a gap arose between the scientific and technological potential and its application; and
- the degree of social and economic development and the preparedness, attitudes and qualifications of working people were also not in harmony.

Such contradictions are not unique to socialism, but the methods by which they are being tackled by each of the systems, and the interests they serve, are very different.

The high degree of centralisation was becoming an obstacle to development as possibilities for **extensive** development were being exhausted. The need for **intensive** development became more urgent. This was particularly necessary if the developing contradictions were to be overcome and the full benefits of the scientific and technological revolution harnessed.

The maintenance of a high degree of centralisation and relatively low level of economic independence in the enterprise, was diminishing incentive to take initiatives in applying the latest technology or take risks. The public ownership of the means of production is necessary and fundamental but not sufficient to maintain feelings of ownership or responsibility as far as individual workers were concerned. It does not by itself prevent feelings of alienation or prevent gulfs arising between workers and managers.

Extension of socialist democracy is possible and necessary with the development of the economy. Already a number of reforms in the 1960s gave enterprises and their workers more responsibility. Now further democratisation is planned and alongside it a number of economic measures that place greater emphasis on the socialist principle of "to each according to the quality and quantity of work done".

The high degree of wage levelling raised questions as to whether the principle of payment according to work done was being violated or under-estimated, and whether too little attention was given to the development of socialist consciousness.

The management of Bulgaria's economy is based on the principle of democratic centralism. In a paper "Self-management of the Socialist Enterprise", published by the Central Council of the Bulgarian Trade Unions, Dimitar Kamenov, says,

"A decisive transition to socialist self-management, i.e. to a qualitatively

higher stage and a new form of socialist democracy, has begun. This is the self-management of the economic organizations and first of all of the enterprises as the basic economic organizational units in the national economy.”<sup>1</sup>

Peter Dylulgerov, Chairman of the Central Council of the Bulgarian Trade Unions, in a public lecture at the ILO spoke of “in-depth reconstruction of all spheres of public life”. He said that this process of renewal covers:

- “the technological and technical re-equipment of the economy through extensive use of contemporary achievements of scientific and technical progress;
- “the implementation of a radical economic reform which restricts centralised administrative methods of economic management and increases the independence of the enterprises and the interest of the work teams in the results of their work;
- “a transition to a qualitatively new stage of socialist democracy through the promotion of self-management and the direct participation of the working people in management;
- “further democratisation of labour relations through an extension of the rights and responsibilities of the work force, the individual and the trade unions.”<sup>2</sup>

The new Labour Code, which came into force in January 1987, provides the legislative basis for the necessary changes in the workplace and new rights and responsibilities of the trade unions. It also, for the first time, gives legal status to workplace collectives in enterprises.

This independence is not an abandonment of centralised planning or public ownership of the means of production. The collective at an enterprise becomes the authorised administrator of socialist property assigned to it by the State. The collective use of the property for their own interests is subordinate to and must take into account the interests and needs of society as well.

The enterprise should, in making and carrying out its own plans, fulfil its State assignments and satisfy the needs of the national economy. The enterprise has the right to independently determine in accordance with national (centrally determined) goals its own development, make contracts, compete for finance for investment, be self-financing and after paying tax, determine how it will distribute its profits.

The new Labour Code provides for the *self management of the workforce* by providing for work collectives and elected bodies of workers to determine main production and social questions.

The general assembly of workers is now an enterprise’s supreme body of self-management. It elects and can dismiss the executive bodies and manager of the enterprise, develops production and social plans, distributes

income, and determines internal regulations.

There are also work teams, called brigades, which have the right to regulate their staff, distribute wage funds among employees according to performance and determine who works in that collective.

The work brigade has a high degree of independence as units of self-management in carrying out their obligations as specified in labour contracts drawn up with the enterprise. The contracts specify obligations of the enterprise and the work brigade covering production tasks, quality of work, payment, provision of materials and other resources, working conditions, training of workers and so on.

These and many other measures extend socialist democracy by converting the work collective from one that is managed from above into a managerial collective.

“The working people implement this form of management through their collective bodies — the general assembly, the work-team council and the economic council — and they possess real power.”<sup>3</sup>

This extension of socialist democracy is accompanied by corresponding responsibilities and obligations on the part of workers. It also necessitates some significant changes in the functions and operations of trade unions.

At its 10th Congress, in April 1987, the Bulgarian Trade Unions addressed the question of decentralisation and structural changes to the trade unions to correspond with developments in industry.

Previously trade unions represented working people in the formulation of plans and were responsible for mobilizing activity around the implementation of State targets. Now that work collectives are economic units of self-management, much of the sphere of former State and trade union activity has been taken over through self-management.

The trade union role is not diminished, but assumes new tasks such as organising the activities of the work collectives. The new Labour Code (Article 43) says,

“The trade unions shall organize the general assemblies of employees, the election of the collective bodies of management, their activities, and the preparing of the employees for participation in them. They shall take part in the drafting and adoption of decisions by the collective bodies of management and shall explain these decisions and control the way in which they are carried out.”

This involves the two principal tasks of training the workers in fulfilling their new tasks and responsibilities and the organisation of the activity of the workforce and its managing bodies. In addition to the important role as a school of communism, the trade unions must be a school of management.

It should be a school where workers learn their rights and obligations in running socialist property and master methods and skills of management which stimulate workers' creativity and democratic methods of work in an environment conducive to constructive discussion of problems and free expression of opinion.

The trade unions continue and in many respects extend their former functions of protecting the rights of the working people, ensuring labour legislation is observed (including occupational safety), and participation in drafting of legislation, as well as social functions such as those relating to housing, childcare, recreation and international activities.

Decentralisation of management and greater economic independence of enterprises will alter the way in which many of these functions are carried out, and how the needs of individuals are met.

In particular, they are seen as fundamental to solving the problems that arise out of the scientific and technological revolution. Radical economic and management changes were required to harness the full benefits of new technology in a manner that is in the interests of workers and society as a whole.

The scientific and technological revolution poses numerous problems relating to working conditions, the health of worker, training and the system of employment.

The 10th Congress of the Bulgarian Trade Unions talked of "renovation and reconstruction" of trade unions to be able to tackle such important questions.

The trade unions have the power and obligation to ensure that every individual worker is taken care of. The extension of democracy, economic and managerial reforms occurring in the enterprise, the new Labour Code and structural changes within the trade unions are all part of an integral process that provides the possibility of tackling such problems.

The creation of possibilities in themselves does not automatically bring with it the required progress or development. Whether or not the hoped for and necessary qualitative leap in economic and social development occurs will depend very much on the success of the trade unions, under the political and ideological leadership of the Party, in carrying out their tasks and meeting their responsibilities.

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# Irangate 1: Baring the Junta

by Tim Wheeler,  
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**Last November, as President Reagan boarded a helicopter, a reporter shouted a question: “Was a Beirut newspaper report accurate that White House officials had flown to Teheran with a chocolate cake, a pair of revolvers, a Bible autographed by Reagan and a cargo bay full of missiles?”**

The report, Reagan shouted back, was “without foundation.” But the stories would not go away and November 13 he vowed in a television speech to tell the “truth — and you know my name.”

In that speech he scorned a report by the Danish Seamen’s Union that a Danish freighter had delivered tons of Pentagon arms to Iran. He admitted he had approved “transfer of small amounts of defensive weapons and spare parts” that could “easily fit into a single cargo plane,” deliveries that could not influence the outcome of the Iran-Iraq war. The mission was intended, he said, to open a dialogue with “moderates” in hopes of ending that war.

Since then, every one of these assertions has been exposed as a lie. The Danish freighter was one of many ships that delivered a billion dollars in Pentagon arms — including tanks, missiles, helicopters and jet fighters. Instead of a “single cargo plane”, it was an estimated 20 planeloads. It was enough to keep the war going and even tip the balance towards Iran. Instead of “moderates”, it was the hardest hardliners the Administration was flirting with — Rafsanjani, Speaker of the Iranian Parliament, and Sheikholeslam of the Revolutionary Guards who had led the takeover of the US Embassy in 1979.

The Administration recognised these ultra-Right Islamic fanatics as anti-Communist, union-hating soul mates.

Ever since, Reagan's credibility has been pounded by an uninterrupted stream of new disclosures:

- Attorney General Edwin Meese III's extraordinary November 25 news conference, revealing that \$30 million in profits from the Iran arms sale was diverted through a Swiss bank to the anti-Nicaraguan Contras.
- The Tower Commission revealed details of the Iran arms sale and the Contra fund diversion.
- Lawrence E Walsh, named special prosecutor to prepare criminal indictments of wrongdoers, has already secured a guilty plea from Carl "Spitz" Channell who served as Lt. Col. Oliver North's partner in Contra fundraising.
- House and Senate Select Irangate Committees have concluded two months of hearings with more than 20 witnesses, many of them participants in the covert operation.
- A judge in Miami refused to dismiss a private lawsuit by the Christic Institute on behalf of journalists Tony Avirgan and his wife, Martha Honey, naming 29 members of a White House "secret team" in a conspiracy to overthrow the government of Nicaragua. Their affidavit accuses the "secret team" of serving as a counter-revolutionary strike force which for the past 25 years plotted assassinations, drug trafficking, gun running and other crimes.

Thus far, all the media reports of the covert activities — so scornfully dismissed by the White House when first reported — have been confirmed.

The people have listened in shocked disbelief as the procession of right wing terrorists, flagwavers, con artists, hustlers and mercenary soldiers of fortune have testified in the Irangate hearings. Their command post was the basement of the White House. The picture sharpens daily to show that they were carrying out the orders of their boss, Ronald Reagan. They have been forced to divulge an enormous body of information, bolstered by thousands of pages of declassified memos from the National Security Council, Central Intelligence Agency, and from Lt. Col. Oliver North's stable of conspirators.

## **High stakes at the hearings**

At the end of eight weeks, it is clear that the Irangate hearings have become an arena of struggle. A ferocious ideological battle rages between unrepentant witnesses like General John K Singlaub, chairman of the World Anti-Communist League (WACL) and members of the House-Senate investigating committees alarmed by the menace to Constitutional government revealed in the testimony.

The moderates, like Senator Daniel Inouye (D-HA) and Rep. Lee Hamilton

(D-IN), Co-Chairmen of the joint hearings must contend with vipers in their midst — Reaganites like Senator Orrin Hatch (R-UT), Reps. Henry Hyde (R-ILL) and James Courter (R-NJ) who treat the conspirators like heroes. It is Congress that should be on trial, they insinuate, for the traitorous Boland Amendment that ties the President's hand in his holy anti-Communist crusade.

Of the 26 Irangate Committee members, 17 voted against the Boland Amendment. Yet the attempt to Reaganize the hearings has failed. Each successive poll reveals deeper erosion of Reagan's credibility with 55 per cent believing he lied when he claimed to know nothing about the private fundraising for the Contras, about Maj. Secord's secret Contra arms airlift and the network of hidden Swiss bank accounts.

Reagan's plea of ignorance was so unbelievable that he recently changed his story. He not only knew about these activities, "it was my idea to begin with", he stated.

His line now is that he and his administration are not subject to the Boland Amendment. The newest wrinkle is his threat to veto a bill extending the Ethics in Government Act of 1974 because, he claims, the Special Prosecutor clause infringes on the President's powers. Six Special Prosecutors are investigating Reagan Administration wrongdoing and his veto threat is being compared to President Nixon's firing of Watergate prosecutor, Archibald Cox in the "Saturday Night Massacre".

The Reaganites' hopes have faded that the damages inflicted by the Irangate conspiracy could be repaired by removing North, Admiral John Poindexter, Chief of Staff Don Regan, Communications director Patrick Buchanan, Assistant Defense Secretary, Richard Perle and Navy Secretary John Lehman. The Administration is dead-in-the-water despite the departure of these arrogant right wing ideologues. Reaganism has suffered a staggering blow.

## **Goal of the Conspiracy**

What should be singled out as most important from the mass of sometimes confusing detail about the conspiracy? An understanding of the nature of the conspiracy is essential to rooting it out.

- President Reagan, Vice President George Bush, Attorney General Edwin Meese III, the late CIA director, William Casey and others established a secret apparatus, unaccountable to Congress or the State Department, to wage covert counter-revolutionary wars around the world. Col. North, Assistant Secretary of State Elliott Abrams, active and retired military and intelligence officers served as field marshals in this apparatus. Now the White House describes North as a "loose cannon", a zealot who acted on

his own, exceeding his orders. Polls show the public does not buy this alibi. This White House team, so arrogant that it is popularly known as the "junta", was under Reagan-Bush-Meese-Casey command.

- The aim of the conspiracy was to de-stabilise and overthrow democratic revolutions that could serve as a model for the liberation of third world countries from impoverishment at the hands of US multinational banks and corporations. The clearest exposition of the strategy came in a document by then US ambassador to the United Nations, Jeanne Kirkpatrick. It was a secret report, later disclosed by the Indian Government, which declared:

We [the US] must establish political dominance over key strategic zones — the Caribbean, the Mediterranean, Southern Africa, the Pacific and the Indian Ocean, including the Persian Gulf and the Red Sea, and over regions producing essential raw materials.

How is this objective to be achieved?

A multiplicity of ends must be used for the purpose, including special operations to seize the sources of essential raw materials in the event of external or internal pressures, threatening suspension of their production or delivery. A corollary of this is a permanent military pressure in such areas.

- The White House was recruiting a covert "axis" of right-wing regimes and dictatorships. Israel, Taiwan, South Korea, South Africa, and Chile, served as conduits for delivery of arms, cash, narcotics, assassins, and other necessities for waging these paramilitary wars. Taken together, this was a step-by-step drive to establish the infrastructure for a permanent counter-revolutionary strike force that could be called a "fascist international" headquartered in the White House.
- The most revealing blueprint for the infrastructure came in a memo to Oliver North by General Singlaub, which Senator Paul Sarbanes (D-MD), a member of the Select Irangate Committee, called "the single most disturbing document" released in the hearings. Singlaub proposed creation of a secret multinational apparatus "mandating neither the consent or the awareness of the State Department or Congress" to provide a "continuous flow" of weapons to "freedom fighters". The Pentagon would secretly sell high technology weapons systems to Israel to be resold to countries like Taiwan, South Korea and South Africa at a substantial markup. The profits would then be used to buy "Eastern bloc compatible" weapons that would be funnelled through a "foreign trading company" to Contras. His memo included a flow chart of "arms to be dispersed as per US instructions" to Afghanistan, Angola, Nicaragua, Cambodia. Like multinational banks and corporations, it would be supranational, unaccountable

to any government in the world. The White House secret team was implementing Singlaub's plan.

- The White House recruited a gangster army of anti-Communist terrorists, drug traffickers, mercenary soldiers of fortune, veterans of counter revolutionary wars against Cuba, Vietnam, Angola. Bush, a former CIA director, provided them with a private air force of cargo planes and pilots of the CIA-connected Southern Air Transport in Miami, a network of air-bases including Ilopango Airbase in El Salvador, safehouses, top secret communications encrypting devices.
- A crucial role in the conspiracy was played by retired Air Force Major General Richard V Secord, and his cohorts, CIA agents Thomas Clines, and Theodore Shackley. They were veterans of counter-revolutionary terrorism in Cuba. All had been in Laos and Vietnam where they implemented the "Phoenix Program" in which 40,000 persons were murdered. Heroin smuggling from the Golden Triangle was their specialty. Perhaps most important, they were experts in secret arms trafficking, in the "nitty gritty" of creating the secret infrastructure.

In 1981, Clines and Shackley were partners with Edwin Wilson in a firm called Egyptian American Transport and Services Corporation (Eatsco) which had an exclusive contract to ship billions of dollars worth of arms to Egypt. Secord was also reportedly a "silent partner" in the deal. Eatsco bilked the US government of more than \$8 million in overcharges in this Contract.

Clines copped a guilty plea and paid a \$100,000 slap-on-the-wrist fine. Secord at the time was Defense Secretary Caspar Weinberger's chief for Middle East arms sales in the Pentagon's Defense Security Assistance Agency. He resigned under a cloud of suspicion and set up an arms export firm, Stanford Technology Inc., exporting arms for private profit.

The Irangate hearings have lifted only a corner of the secret activities of these arms exporters, their links to the giant multinational military corporations, their "revolving door" ties to the Pentagon, billions in profits they are raking from their counter-revolutionary arms sales.

The sale of arms to Iran revealed that these profiteers have access to Pentagon weapons stockpiles in the US and at NATO military bases in Europe. They have an obvious profit motive for perpetuating fratricidal wars like the Iran-Iraq bloodbath and counter-revolutions around the world.

A memo by Assistant Secretary of State Elliott Abrams to Defense Secretary Caspar Weinberger and Secretary of State George Shultz proposed an increase in "foreign assistance" to Guatemala "to compensate them for the extraordinary assistance they have given us" in providing weapons for the Contras. Appended to the memo were fake "end-user certificates", in

Spanish, sent by the junta in Guatemala. The end-user certificates, required by the Arms Export Control Act, falsely certified that Guatemala had received arms that in fact went to the Contras. It was a massive arm-laundering operation.

- At the service of these counter-revolutionary arms exporters was a network of dummy corporations and numbered bank accounts for the transfer of millions, if not billions, of dollars to finance the wars — and to provide profits for the merchants of death. It was revealing to hear Secord defend his markups — as much as 300 per cent — on weapons for the Contras. After all, his firm was in business to make a profit, he said. Without profits his “enterprise” would go out of business. And what would then become of Ronald Reagan’s anti-Communist crusade?
- The Reagan Administration was moving to establish a domestic counterpart of this “fascist international” here in the US, mobilizing right wing extremist organisations, right-wing television evangelists, racists, and anti-union elements. The aim was to destroy the democratic movements of the people, to promote a “union-free environment.”

This was a drive to seize control of Congress, to smash all opposition to Reagan Doctrine wars; to impose a permanent Reaganite political realignment in the US; to brainwash the US with anti-Soviet Ramboism in preparation for worldwide direct US military intervention. A contingency plan code-named “Rex 84” called for incarceration of as many as 400,000 protestors at ten detention centres should Reagan decide to declare a “national emergency”.

Ellen Garwood, Coors and others testified that they gave millions of dollars to Chanell who auctioned off 15-minute private audiences with the President for \$300,000. The funds were used to purchase lethal supplies for the Contras — redbaiting TV ads impugning the loyalty of Congress for voting against Contra aid. Abrams boasted in the memo that Chanell’s \$4.1 million campaign was responsible for intimidating “32 of the 51 Democratic districts that ultimately stood with the President” in voting to repeal the Boland Amendment.

Chanell’s bank records, indicate that PRODEMCA received \$80,000 from him to pay for pro-Contra newspaper ads. The revelation is important because this outfit, with board members that include, right-wing Social Democrats, like Teachers’ Union President Albert Shanker, has taken pains to conceal its links to the rabid right. Yet PRODEMCA’s Executive Director, Penn Kemble, a leader of the rightist Social Democrats USA, is referred to repeatedly in memos by Oliver North’s courier, Robert Owen.

- The lawmakers say they have yet to find a “smoking gun” proving Reagan guilty of criminal acts. Anyone watching these hearings in the ornate Senate Caucus room, could count a thousand “smoking guns”. Laws, like the Boland Amendment, and the Neutrality Act, and numerous treaties have been broken. Reagan flouted the Constitution which reserves to Congress the power to declare war and to appropriate funds.
- The unrepentant fanaticism of many of the witnesses, Singlaub for example, compels one to the conclusion that if this conspiracy had not been uncovered, the Administration would have moved, step by step, to destroy the Bill of Rights and impose the brand of police state dictatorship they so admire in South Korea, Chile, and South Africa.
- Over the past six years, the Administration perjured itself. In one notorious example, Col. North paid an agent of Rev. Sun Myung Moon’s CAUSA International \$2,500 to impersonate a Roman Catholic priest and testify to Congress that reports of Contra atrocities were “communist propaganda”. Abrams denied reports the Administration was fundraising for the Contras, in testimony to the Senate Intelligence Committee.

Abrams himself had solicited \$10 million from the Sultan of Brunei a few weeks before this perjured testimony. Asst. Att. Gen. Charles Cooper testified that Meese permitted North’s files to remain unsecured for an entire week after discovery of the “diversion memo”.

Fawn Hall testified that while the FBI dawdled, she and North, shredded memos, forged others and smuggled some in her clothes.

## **Why the pussyfooting by the lawmakers**

The lawmakers on the panel, even anti-Reaganites, have avoided super-sensitive subjects — narcotics trafficking and assassinations for example. Senator David Boren (D-OK) asked North’s courier, Robert Owen, about reports that the White House secret team had been involved in drug trafficking. Yes, Owen replied, the CIA had supplied a cargo plane for the Contra arms airlift that had been used to smuggle drugs and “I thought it was a stupid idea”. Such a stunning confirmation by Owen begged for follow-up questions: How did Owen know it had been involved in drug smuggling? When? Where? Boren quickly shifted to another topic.

Similarly, when Joe Fernandez, alias Thomas Castillo, CIA station chief in Costa Rica testified in a closed door session, he confirmed drug trafficking. In a sanitized transcript of his testimony, he said he could “name names” of contra leaders associated with Contra chief, Eden Pastora, linked to drug trafficking. The lawmakers dropped the subject like a hot potato.

Glenn Robinette, the former CIA agent, told the hearing General Secord hired him for \$4,000 monthly to “dig up dirt” on ABC Newsman, Tony Avirgan,

his wife Martha Honey and their Christic Institute (CI) associates for a counter-attack against their law suit. But instead of aggressively probing Robinette on his activities against Avirgan-Honey-CI the lawmakers spent hours questioning him about the installation of a \$14,000 security fence and gate at Lt. Col. Oliver North's home in Great Falls, VA.

The lawmakers are hot on the trail of venality, personal profiteering. Secord, the first witness, presented himself as a patriot selflessly implementing President Reagan's anti-communist game-plan. The anti-Reaganites on the panel succeeded in ripping aside this facade, exposing Secord as a sleazy profiteer. This was their approach to Secord's partner Albert Hakim and appears to be their approach as well to North.

At this writing, North has begun to testify under a limited grant of immunity from prosecution. A closed door session reportedly focussed on what President Reagan knew, and when, about the Iran arms sale and the diversion of profits to the Contras.

That emphasis on "profiteering" has served a certain purpose. It is doubtless revealing to masses of television viewers to learn that anti-communism goes hand in hand with swindling, profiteering, money laundering, the disappearance of millions of dollars from numbered Swiss bank accounts. The money was used to purchase Porsche sports cars, private luxury airplanes and visits to "fat farms". Anti-communism, to paraphrase Samuel Johnson, is the "last refuge of a scoundrel".

The problem is that this emphasis covers up other and deeper aspects of the conspiracy. The implication is that the activities of the White House secret team would have been acceptable had they not been tainted by Secord's embezzling.

Gen. John K Singlaub was treated by some Irangate panelists as a national hero because, unlike Secord, he boasted that he accepted not a penny of profits in delivering tons of arms and ammunition to the Contras. It was a sorry sight to hear the lawmakers heaping unctuous praise on this cold-blooded fascist. It was the delivery of those arms that constituted the real crime. Nicaraguans victimized by Reagan's terrorist war must wish that Secord had stolen all the money earmarked for purchase of Clamore mines that are blowing off their children's legs.

Other Capitol Hill hearings, however are filling in the gaps from the Irangate hearings. The Senate Foreign Relations Sub-committee on Terrorism and Narcotics convened a closed door hearing, chaired by Senator John Kerry (D-MA), to hear testimony from Ramon Milian-Rodriguez, a money launderer for the Medellin cocaine cartel in Columbia. Milian-Rodriguez, now serving a 35 year prison term in Miami for laundering drug profits testified that CIA agent,

Felix Rodriguez, a personal friend of Vice President George Bush, had solicited contributions for the Contras from the Medellin gang. Milian Rodriguez testified that he had personally given Felix Rodriguez \$10 million in cocaine profits for the contra “freedom fighters”.

A Sub-committee staff spokesman told this reporter Milian-Rodriguez’s disclosures are so explosive that more witnesses will be subpoenaed. A team of Foreign Relations staff investigators is travelling to Florida and other locations gathering more evidence of the CIA-Contra “cocaine connection”. This line of investigation is exposing more and more White House links to the criminal underworld.

Rep. Howard Wolpe (D-MI), chairman of the House Africa Sub-committee, meanwhile, convened a hearing to take testimony from a California businessman, Sam Bamieh, revealing that the Reagan Administration was already working to establish the infrastructure for counter-revolution in November or December of 1980 — before Reagan was inaugurated. Bamieh, with extensive business ties to the Middle East said he delivered to President Reagan a letter from the then Crown Prince Fahd of Saudi Arabia, urging Reagan to approve accelerated delivery of advanced weaponry to the Saudis. Later, he said, Prince Fahd told him he had reached agreement with the Administration that, in exchange for delivery of AWACs aircraft and other high tech weapons system, Saudi Arabia would supply arms to “anti-communist movements...anywhere the US wants”.

At that time, before the Boland Amendment outlawed CIA aid to the Contras, the main priority, Bamieh said, was circumventing the Clark Amendment which barred delivery of arms to Jonas Savimbi’s UNITA terrorists in Angola. Prince Fahd, Bamieh testified, also mentioned the contra mujahaddin in Afghanistan as recipients of this covert arms laundering arrangement.

## **The Bork peril**

The resignation of Supreme Court Justice Lewis Powell amid the Irangate revelations and President Reagan’s nomination of Judge Robert Bork to replace him has pushed the nation to the brink of a potential Constitutional crisis. Bork, hand-picked by Reagan’s Attorney General Edwin Meese III, now personifies the link between the two greatest threats to Constitutional democracy in this century — the Watergate and the Irangate.

Bork, in October 1973, was the Justice Department Solicitor General and carried out then-President Nixon’s “Saturday Night Massacre”, the firing of Watergate Special Prosecutor Archibald Cox. If Bork is confirmed by the Senate, he may well cast the deciding Supreme Court vote on the findings by six special prosecutors now investigating criminal wrongdoing by Meese and other Reagan advisers. He is the vote the Administration needs to tip the Sup-

reme Court balance towards upholding President Reagan's imperial claim that he is above the law.

Bork is an agent of the right-wing extremists. In 1973, he justified Nixon's Presidential "seizure of power" that was the heart of the Watergate. On the Supreme Court, he would be prepared to rationalize the presidential "seizure of power" that is the essence of the Irangate.

Senator Edward M. Kennedy (D-MA) signalled this crisis when he declared on the Senate floor, that Reagan:

"should not be able to reach out from the muck of Irangate, reach into the muck of Watergate and impose his reactionary vision of the Constitution on the Supreme Court and on the next generation of Americans."

In June 1981, the Communist Party, USA, convened an extraordinary conference in Milwaukee at which the Party sounded the warning that the election of Ronald Reagan signalled a dire threat to democratic rights. A coterie of right-wing extremists had taken over the Republican Party and with Reagan's election, were now positioned to move step by step, towards a seizure of power. That conference issued a call for the formation of an "All People's Front Against Reaganism". A "front" against Reaganism has gradually coalesced — organized labour, oppressed minorities, the movement for women's equality, farmers, the peace movement, environmental and community organizations. The Party emphasized the importance of breadth, of avoiding issues that divide, of emphasizing issues that unite. It should be an open multi-class alliance to repel the ultra-right danger.

In 1987, the 200th anniversary of the US Constitution, the correctness of that strategy is fully confirmed. Reagan, re-elected in a so-called "landslide" in 1984, nevertheless went on to defeat in the two Congressional elections that followed. Last fall, the Reaganites lost control of the Senate despite Reagan's strenuous campaigning in which he called the election a "referendum" on his policies. To understand the historic significance of that defeat, one need only consider where we would be today if he had won! Senate Majority Leader Robert Dole (R-KA) would have carried out his proposal for a special session of Congress last December to "get this thing behind us".

The Reaganites are now waging a ferocious rearguard action, resorting to stonewalling and diversionary ploys, struggling to re-group for a counter-attack. The escalation of the Contra war on Nicaragua, the drive by Reagan for reflagging Kuwaiti ships in the Persian Gulf, his campaign to throw the Democrats on the defensive on the 1988 budget, especially against a series of arms control amendments, and, most recently, the Bork nomination, are all parts of this strategy of counter-attack. The Irangate conspiracy has sustained heavy damage. But it is still operational.

Given the continuing menace, it is all the more important for the movements that comprise the "all people's front" to make themselves heard in 1987. The first blow of the year, on April 25, was the demonstration by over 200,000 (half of them trade unionists) in Washington and San Francisco, for Justice and Peace in Central America and Southern Africa.

Now a powerful movement is springing up to demand that the Senate kill the Bork nomination. Congress is the focus of this and other demands:

- Full disclosure of the Irangate; the prosecution and imprisonment of all the conspirators, no matter how highly placed.
- Dismantling and jailing of the secret team; termination of all covert wars; termination of all funds for the Contras; an end to US attempts to overthrow the Sandinista regime, and governments in Angola, Ethiopia, Afghanistan, Cambodia, etc.
- US support for a negotiated peace settlement in Central America and termination of US military support for the Duarte regime in El Salvador; US support for UN initiatives to end the Iran-Iraq war.
- Completion and Senate ratification of the US-Soviet INF treaty removing medium range missiles from Europe; an end to Reagan's "evil empire" policy of anti-Sovietism and a new foreign and military policy that bans nuclear weapons in space and opens the way to arms control agreements and a drastic reduction in US, Soviet, and world military expenditures.
- Transfer of those funds to end third world indebtedness, unemployment, poverty, homelessness at home and abroad.