



# Australian Marxist Review

Theoretical journal  
of the Socialist  
Party of Australia

- ★ *Australian trade unions*
- ★ *Australia's foreign debt*
- ★ *40 years of socialist China*
- ★ *Politics of the Federal elections*
- ★ *The West's peaceful evolution examined*
- ★ *Harare Declaration on South Africa*

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# **Australian Marxist Review**

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# The Current Position of the Australian Trade Unions

by Jack MacPhillips

**The occasion of the biennial Congress of the Australian Council of Trade Unions (ACTU), held from September 24 to 27, 1989, provides a favourable opportunity to evaluate the present position of the trade union movement in Australia.**

The Congress brought no surprises and consequently no changes to the direction of the union movement which has marked the past six and a half years. Briefly stated, the position of the unions in general, and the ACTU in particular, is:

- ★ The right-wing orientation of the past six and a half years continues and is being strengthened.
- ★ Restrictions on wages levels are accepted as a necessary means of maintaining and further developing the capitalist economy.
- ★ The transference of an increasing proportion of national wealth away from wages and supplements and towards corporate profits as a means of increasing investment is likewise accepted.
- ★ There is acceptance of the concept of common interests between labour and capital based on merging the two separate words “them” and “us” into the single word “we”.
- ★ There is an uncritical acceptance of the economic policies of the Hawke Labor Government and, associated with this, an acceptance of an obligation by the unions to assist to make those policies work.

★ There is a further tying-in of the unions to the processes of arbitration and conciliation as practised by the various wage fixing tribunals. especially the Federal Industrial Relations Commission.

★ There is a newly devised and complicated process of wages assessment which ties labour remuneration into the requirements of private profit making purposes of industry and commerce.

★ There is a widening gap between the membership and the lower levels of union organisation on the one hand and the upper levels of individual union organisation and the ACTU on the other hand.

★ There is a continuing decline in the percentage of the total workforce enrolled in unions and a failure to note that a contributing factor to this is the above features of the present position of the unions.

★ The continuation and unbroken development of capitalism as a socio-economic order is accepted despite the fact that the first named "objective" in the ACTU Constitution is "the socialisation of industry i.e. production, distribution and exchange".

That position in total is giving birth to a growing level of dissatisfaction among union members and among sections of the union organisations. This feature of the position of the unions is as yet in only incipient form but it is developing and the inadequate outcome of the recent Congress will assist its further development.

The development of this position of the unions has been a deliberately contrived and rapid process.

It is associated with and is a result of dominance in union leadership areas of centre/right forces and the merging, even the absorption, of the former left forces with the centrist section of the dominant influences.

Official policies have been developed and pursued which have resulted in a decline in the level of workers' real wages, i.e. purchasing power. Coincidentally corporate profits have zoomed and salaries of non-producing sectors of the community — e.g. company executives (including those in government undertakings), top public servants, politicians, judges and members of various wage fixing tribunals — have been substantially enhanced.

These results conflict with decisive sections of certain resolutions of the ACTU and of affiliated unions. But they accord with steps taken by sections of the union leadership in support of a changed concept of the role and purposes of the unions in capitalist society.

The changed concept is a result of a highly successful ideological campaign conducted by top leaders of the ACTU, the Hawke Government spokesmen, employers and the media. As a result of this campaign, sections of the former left of the union leadership and the mass of the workers have been convinced or "conned" into accepting that a capitalist system best serves the interests of workers and that workers can and will be given an effective say in the running and development of such a system. It is in this area ideology, that the most damage has been done to workers and their

interests in the last six to seven years.

The ideology adopted is reflected in speeches at the recent ACTU Congress. For example, ACTU President Simon Crean, in his Presidential Address dealing with the Accord and the relationship he claims it established between the Hawke Government and the unions, said:

“To be effective, we must demonstrate the significance of that relationship to social and economic reform. Nor can the trade union movement delude itself. No government including a Labor government would be interested in developing a relationship with us unless they get something out of it.

“From a trade union perspective, this means being prepared to bargain for and deliver a wages outcome appropriate to the economic circumstances and, as a consequence, positioning ourselves to influence the outcomes in other areas that affect our membership.

“At the same time, it involves a recognition of the importance of contributing actively to the process of socially responsible growth to enhance the basis for a fairer distribution of benefits.

“In essence the Accord is wages policy for a voice in government.

“As a consequence of this approach, the trade union movement has become widely recognised as a legitimate partner in the process of economic and social reform.

“The proposition is simple, genuine involvement leads to responsibility. It holds true at all levels of the relationship. The Trade Union Movement and the Labor Government realised it and developed it. The new challenge is for unions to develop a similar relationship at the enterprise and industry level. A relationship built around genuine involvement. The new wages system and award restructuring is the vehicle for building that relationship.”

In addition to other unworthy and doubtful aspects of these views, Mr Crean as ACTU President is proposing that unions and workers should develop at workplace level the same kind of relations with employers that have developed under the Accord between the ACTU and the Hawke Labor Government. It means workers should become involved in shoring up their employers' profit levels and become partners in increasing productivity and efficiency.

Crean's views have a marked similarity to views on such matters recently advanced by the Business Council of Australia, a body consisting of leading corporate representatives in Australia.

A speech by L Carmichael made in support of an ACTU Executive recommendation on the issue of industry development had similar implications. That speech was mainly a complaint directed against investors for failing to invest capital in enterprises needed to broaden the base of the nation's economy. He complained that the union movement had done its share in the cause of the economy by forcing wage restrictions on the workers and he now demanded that capital do its share.

But Carmichael knows that capital investment in this society is not determined by what serves best the nation's interests. He knows that investment direction is determined solely by the search for maximum profit.

Sir Arvi Parbo, a leading person in Western Mining Corporation and BHP, spelt out that fact in simple terms some time back in answer to similar complaints at that time made by Ministers of the Hawke Government. Despite all that, Carmichael spoke to the Congress about the need, apparently through some government established body, for the unions to play a part in forcing investment in areas serving the interests of economic development.

Having in mind the private ownership of the main areas of the Australian economy by big capitalist corporations, Carmichael is calling on the workers to compel the capitalists to act in their own interests, a course we are expected to believe they do not understand.

None of this "profound" thinking was contested at the Congress.

However, some aspects of the resolutions presented to the Congress are not consistent with the concepts developed in this ideology of common interests advanced by some sections of the union leadership.

A lengthy resolution on economic policy states, as an objective, "greater economic independence and the minimisation of the control and influence of multi-national corporations".

Little is said on how that objective is to be achieved and it certainly will not be achieved by collaboration with the multi-national corporations.

Emphasis was laid at the Congress upon the serious decline in unionisation of the workforce, especially in the keynote speech by ACTU Secretary W Kilty.

Several reasons were advanced for this state of affairs, including the development of a high degree of indifference and apathy among workers in general, including those who are already union members. But none of this was attributed to the effects of the ideological campaign conducted inside the union movement.

Observing the Congress, it would appear that a high degree of apathy affected large numbers of the delegates. Only occasionally during the four days of proceedings was there anywhere near a full attendance of credentialled delegates.

Many seated in the hall could be seen talking to each other and wandering around the meeting and for much of the time there were as many Congress participants in the corridors as there were in the Congress itself. Frequently the noise of conversation between the delegates matched the amplified voice of the speaker formally addressing the Congress. But on only one occasion did the President draw attention to this and then only for the purpose of asking delegates to lower their voices in conversation.

Such a gathering dealing with important issues affecting the well-being of workers is not likely to inspire confidence among already unionised members of the workforce or to attract to membership of unions those who still remain

outside the unions.

The present position in the union movement requires firm steps to establish a genuine left force. The ingredients for such a force do exist but include very few of those who are currently referred to as left wing.

Slightly more than 50 years ago, such a force as is now needed developed in individual unions and coalesced in the ACTU itself. As a coherent force it made its presence felt and was able to counter political anti-progressive forces and provide an effective alternative leadership on political, economic and social issues confronting the workers.

Now is the time to repeat that performance. And it can succeed.

# Australia's foreign debt a time bomb waiting to go off

by Anna Pha

**A few years ago, “balance of payments” was just another economic term that economists talked about, but few people took any notice of. Now Australia's foreign debt has reached such large proportions that the monthly balance of payments figures are front page news stories. The net foreign debt consists of what is owed by Australians overseas less what overseas borrowers owe to Australians.**

Despite all Federal Treasurer Keating's efforts and the hardships inflicted on workers, Australia's foreign debt has been rising steadily over the last six years. By June this year, it had reached **\$108 billion** — around 32 per cent of the country's Gross Domestic Product (annual income).

There is no sign of this debt stabilising, let alone shrinking. Indeed, there is every likelihood that it will worsen if world commodity prices fall, world markets slow down or recession sets in. Australia is sitting on a time bomb.

## **The real culprits**

The main factor that fuelled the debt was borrowing by the private sector, particularly financial institutions. In the main, these borrowings have gone into speculative investment, fuelled the stock market up to October 1987, and into takeovers and other non-productive ends.

The corporate sector has been on a borrowing binge. Figures available 12 months ago revealed that Australia's six largest corporate borrowers owed between them \$26 billion (a conservative estimate).

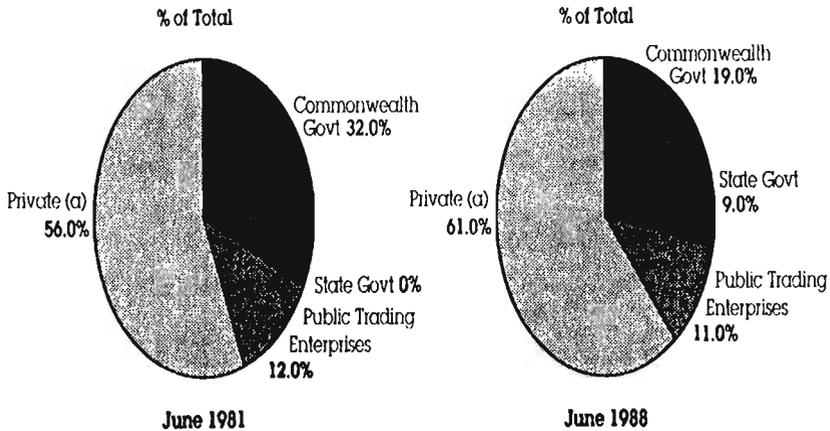
In all, over 60 per cent of the debt is owed by the private sector — banks, financial institutions and trading enterprises.

One of the major sources of the rise in the debt has been a rapid increase in borrowings to fund investment offshore.

There has been a growing tendency for corporations in Australia to use debt to fund expansion and new investments, rather than to issue shares.

The strongest rise in overseas borrowings has been in the finance and construction industries.

## Gross foreign debt – composition



(a) Including Public Financial Enterprises

From *National Australia Bank Bulletin*, September 1989

Part of this growth is a result of borrowings by the banking sector as new foreign banks have drawn on capital provided by their overseas parents, and as banks have borrowed to finance lending to domestic companies.

The major contributor to borrowings in the construction industry has been the growth in non-residential construction.

At the same time, national savings are at relatively low levels, unable to meet the demand for investment and other activities such as takeovers and stock market speculation.

The price of capital was another factor, with lower interest rates overseas being an attraction.

### Public sector debt

The public sector foreign debt has arisen through borrowings by Federal, State and local governments as well as government enterprises and utilities.

The Federal Government has accumulated a foreign debt to fund budget deficits over a number of years preceding 1986-7.

State governments have borrowed heavily in the past to finance projects such as power stations. Public enterprises such as Telecom and Australian Airlines have borrowed to finance the purchase of technology, planes, and so on.

### Seventh largest debt in world

Whichever way you look at the foreign debt, it is serious. Calculated on a per capita (of population) basis, it is the seventh largest in the world. Only three major industrialised countries — the US, Canada and France — have a larger level of debt.

The ratio of the cost of servicing the debt (interest payments) and repay-

ments of the loan (principal) to the income from the export of goods and services is higher than in most Latin American countries.

For the year 1987-88, the interest and principal repayments were equivalent to 63 per cent of income from the export of goods and services. (*Reserve Bank Bulletin*, December 1988)

YEAR (at end of June)	NET EXTERNAL DEBT (\$ billion)
1977	3.9
1978	6.2
1979	7.9
1980	6.9
1981	8.5
1982	16.4
1983	23.0
1984	29.5
1985	50.3
1986	74.2
1987	82.1
1988	90.0
1989	108.0

The table shows how the foreign debt rocketed after the Labor Party came to office in March 1983, the dollar was floated in December 1983 and the financial system was further deregulated over the next two years.

### **How the debt grew**

Over 60 per cent of the debt is owed in foreign currencies, not Australian dollars. The floating of the dollar in 1983, with its resultant devaluation (40 per cent in one year alone), added more than \$20 billion to the foreign debt.

Take, for example, a debt of US\$1 billion. When the Australian dollar was worth US\$1, the debt was A\$1 billion. When the Australian dollar was devalued to US75 cents, the debt, in terms of Australian dollars, became \$1.3 billion — i.e. it rose by one-third.

Australia's debt was affected — in much the same way as that of developing countries — when world prices for commodities slumped. Although Australia is an industrialised capitalist country, the structure of its economy and composition of exports is closer to that of a developing country.

Around 70 per cent of Australia's export income is derived from the same commodities as many developing countries export — desperate to sell at any price to service their foreign debts.

High interest rates have also added to the debt burden. Interest repayments alone absorb around 20 per cent of income from goods and services.

## **Key components of the debt**

An examination of the monthly balance of payment figures shows up trends in the growth of the debt.

When the balance of exports of goods against imports (merchandise trade) is considered, there was a surplus of exports (\$155 million) in 1987-88. By 1988-89, this had become a deficit of \$4,075 million.

The largest contributor to this deficit is not consumer goods but machinery, transport equipment and technology, reflecting a recent (and long overdue) upsurge in capital investment.

There were also some heavy purchases under the defence budget. An increasing proportion of defence expenditure is being allocated to equipment (35 per cent of the budget), stores and facilities.

The estimates for expenditure in 1989-90 on equipment and stores amount to \$2.9 billion and are expected to rise to over \$4 billion in 1992-3. This equipment includes new submarines, a new tactical fighter (F/A-18), guided missile frigates and Seahawk helicopters.

Despite the trade deficit, the bulk of the \$108 billion debt for 1988-89 arose in the area of finance. Around \$10 billion alone was paid out (two-thirds by the private sector) in interest.

## **Government strategy**

The Federal Labor Government has recognised the seriousness of the foreign debt and taken a number of measures with the aim of reducing it.

Firstly, it has turned a government budget around from a considerable deficit (approaching \$9 billion) to a surplus for three consecutive years. It claimed this would reduce government borrowings (which it has) and free up more and cheaper (lower interest rates) capital for borrowing in Australia.

The reduction of the government's budget surplus is, in itself, desirable. However, this only addresses a smaller part of the source of the debt.

The method used to reduce the debt should, however, be opposed, as it resulted in cuts to the social wage and privatisation.

There are other methods that could have been employed — in the interests of the people — such as reforming the taxation system so that big business pays a larger share, by taxing profits on gold, and so on.

While the dramatic cuts in government expenditure and debt reduction have created massive budget surpluses, the government has at the same time maintained a tight monetary policy (high interest rates) as part of its strategy of reducing living standards.

The reduction of living standards is supposedly aimed at reducing the demand for imports, and hence supposed to solve the balance of payments problem.

The Federal Government has also attempted to reduce reliance on overseas borrowings by encouraging an increase in domestic savings. The development of superannuation schemes with billions of dollars of workers' savings available for private investment are a vital component of this policy.

## **Workers pay for debt**

The overwhelming part of the debt is owed by private or public corporations or governments. Very few families (a few small businesses) or workers have borrowed overseas. Yet the debt hurts ordinary Australians.

The burden of repayment falls on Australians as companies take measures to increase their profits to meet interest payments and to repay the loan.

The extra profits are extracted by such means as lower labour costs (wages and conditions reduced, longer working hours, job losses, higher productivity, and so on) and lower corporate taxes with resultant cuts in the social wage and living standards.

Another prong of ALP Government policy has been to increase productivity and profitability of industry to fund debt repayments and reduce costs of exports.

This strategy is behind award restructuring, the attack on working conditions, wage restraint, the "reform" of the waterfront and transport industries.

Whichever way you look at it, workers are paying. So are the unemployed, the sick and others who are hit by the loss of government services, cuts to benefits and "user pays" consequences of privatisation.

These policies are not working, and they cannot. The Labor Government is not tackling the cause of the problem. No matter what austerity or other measures it introduces to reduce imports or free up capital for investment, its policies of economic deregulation and handing over the economy to "market forces", have removed the very controls which are needed to bring about a solution.

## **Power of transnationals**

Free competition gave way to monopolies at the turn of the century. The process of concentration and centralisation of capital and the merger of bank and industrial capital to form finance capital has been under way ever since.

The transnational corporations (TNCs) now dominate the capitalist world, with their growth and power increasing with the internationalisation of production and global division of labour. They work hand in hand with the state — state monopoly capitalism — and often have budgets larger than many of the state budgets which they increasingly influence.

By the mid-1980s, TNCs controlled over one-third of industrial output and more than half the trade of the capitalist world. Following mergers and rapid growth, transnational banks influence investment decisions, economic policies and political matters. In fact the concentration of capital in the credit sphere is much higher than in other economic spheres.

While the TNCs compete for markets, they also co-operate in the interests of their class as a whole. This co-operation takes on many forms, often assisted by the states. The OECD, the World Bank and International Monetary Fund (IMF) are all examples of organisations that serve the interests of the TNCs and developed countries.

The IMF and the World Bank have been central in dealings with developing countries, providing a united front for imperialism and dictating to debtor countries conditions for loans, rescheduling of debts and so on.

Developing countries have been blackmailed into adopting austerity programs in order to receive loans, to have loans extended, rescheduled, and so on.

These programs involve cutting back the public sector, reductions in government expenditure on health, welfare, housing, privatisation, “user pays”, lifting price controls, lower wages, attacks on working conditions (and trade unionism), removal of trade barriers, floating currencies, deregulating interest rates and opening up economies to “market forces”.

In present day circumstances, a “market forces” economy is one which is dominated by the transnational corporations. Handing over the economy to “market forces” is therefore to hand it over to the monopolies.

## **Horrendous consequences**

This process has been followed in countries such as Argentina, Mexico, Brazil, and others. The horrendous consequences are well documented: unemployment, mass impoverishment, astronomical inflation, lack of development of the economy, rape and plunder of resources, and so on.

These measures, forced on countries wishing to borrow, are allegedly designed to assist with debt repayment. In reality, the foreign debt is reduced slightly — but at what price and to whose benefit?

These policies might so far have managed to prevent governments from mass defaulting, but they have not helped the countries or people affected.

On the contrary, they have brought untold gains to the TNCs. According to World Bank figures, there was a record outflow of US \$50.1 billion last year from “third world” countries. This figure includes a net flow of US\$1.9 billion to the World Bank itself.

The same forces that dictated these policies for developing countries are dictating the same policies to the Australian Government.

If these policies are not halted very soon, Australia will become another Argentina. That is where IMF “austerity measures” will lead us. It should be patently clear now that these policies have not even stabilised Australia’s foreign debt.

## **Alternative to the banana republic**

There is an alternative to the banana republic road. Firstly, the IMF and OECD strategies of lower living standards and “market forces” must be

rejected.

The very first step is to gain as much control over the economy as possible. This means the government determining interest rates and currency, and exercising control over capital flows, investment and so on.

The Australian economy needs restructuring. It is too reliant on the primary sector and inadequately developed in infrastructure. The public sector has to be expanded with emphasis on adequately funding public sector research and higher education.

Trade must be developed on the basis of equality and mutual benefit, having first determined which industries the country will develop for export and in which areas Australia shall import goods and services.

Trade should be developed further with Australia's Asian-Pacific neighbours — particularly the socialist countries (China, Vietnam, and so on) — and non-exploitative relations developed with the smaller Pacific nations.

# 40 years of socialist China

**Jiang Zemin, the General Secretary of the Communist Party of China, spoke on September 29 this year at a celebration of the 40th anniversary of the founding of the People's Republic of China. The following is an abridged text of his speech.**

Comrades and friends, We are gathered here at a grand rally today to celebrate the 40th anniversary of the founding of the People's Republic of China.

It is soon after our decisive victory in halting the turmoil and quelling the counter-revolutionary rebellion, and the successful convening of the fourth plenary session of the 13th Party Central Committee that we now celebrate the glorious 40th anniversary of the founding of new China.

The turmoil and riot that broke out at the turn of spring and summer this year resulted from a combination of the internal macro-climate and the domestic micro-climate. The disturbances stirred up by hostile forces, both internal and external, were aimed at overthrowing the Chinese Communist Party's leadership and subverting the socialist system, at turning China into a bourgeois republic and reducing it once again to a dependency of the Western capitalist powers.

This struggle is, in its nature, a sharp confrontation between the four cardinal principles (adherence to the socialist road, the Communist Party leadership, the people's democratic dictatorship and Marxism-Leninism and Mao Zedong's thought) on the one hand and bourgeois liberalisation on the other. A political struggle, and also a serious class struggle, that concerns the life and death of our Party, state and nation.

By our victory in this struggle we have defended the fruits of the struggles waged over a period of more than 100 years by countless martyrs and others who cherished lofty ideals for the survival and liberation of the Chinese nation, and we have defended the fruits of the new-democratic revolution and the socialist revolution carried out over the past half a century and more, the achievements scored in socialist construction over the past 40 years, and the successes scored by the reform and the open policy over the past decade.

The victory in this struggle will have far-reaching influence on the orientation and future development of China's socialist cause, the rejuvenation of the Chinese nation, and the development of the international cause of socialism.

Practice has proven, and will continue to prove, that the policies and measures adopted by the Party and government to halt the turmoil and quell the counter-revolutionary rebellion and save the state and people from the deep sufferings of grave internal turmoil and historical retrogression, are in keeping with the common will and fundamental interests of the people of all nationalities of China.

## **Epoch-making change**

The 40 years since the founding of the People's Republic of China have seen a period of epoch-making change in Chinese history. During it, the country has met hardships and setbacks, overcome difficulties and achieved continuous development and progress. In these 40 years, the Chinese nation has regained pride and dignity, won independence, and played an increasingly important role in international affairs.

The establishment of the People's Republic of China put an end to the thousands of years of the rule of the exploiting classes over the mainland of China and to the history of prolonged subjection of China to imperialist bullying and humiliation, making the Chinese people the masters of their own country and society.

The victory of the Chinese revolution was the most important event in the history of the international communist movement following Russia's October Revolution, as well as the most important event in world politics after World War II. This victory has changed the world's political pattern and inspired the revolutionary struggles of the world's people, making a great contribution to human progress.

Using the Marxist-Leninist theory of the state and integrating it with China's reality, we have established in China a great country of the east and the most populous in the world, a dictatorship led by the working class and based on the worker-peasant alliance.

Although our political system has still to be gradually perfected, it will certainly be able, through self-improvement and development, to open ample possibilities and broad vistas for the democratisation of the country's political, economic, cultural and social life.

After the birth of new China, it took us just three years to heal the wounds of war and restore the national economy to the highest level attained in old China. We accomplished the socialist transformation of the private ownership of the means of production, abolished the system of exploitation, eliminated the exploiting classes and established a socialist economic system characterised mainly by public ownership of the means of production and distribution according to work.

## **Economic system**

Although our economic system has still to be gradually perfected, it will certainly be able, through self-improvement and development, to provide full possibilities and open broad prospects for further expanding the social productive forces, raising labour productivity and enhancing the material and cultural life of our whole people.

With the development of production, the Chinese people's actual consumption was raised from 76 yuan per capita in 1952 to 639 yuan in 1988, representing an average annual growth of 3.7 per cent in real terms. The problem of feeding and clothing the population has been basically solved. Some of the people are moving towards a moderately well-to-do life.

Much headway has also been made in education, science, culture, public health and physical culture. In 40 years, our schools of higher learning have educated 6.192 million undergraduates and 154,000 graduate students, 30 times the number of such students graduated in the 37 years before the founding of new China.

Although China's economy is still comparatively backward, it has scored results impossible in the past when China lived under systems of exploitation. This is a manifestation of the superiority of socialism.

We must fully affirm the brilliant successes the Chinese people have achieved under the socialist system. Any doubt or negation of our achievements is groundless, erroneous and harmful. At the same time, we must fully realise and resolutely correct the mistakes in our work. Any refusal to admit the mistakes is likewise groundless, erroneous and harmful.

Since the third plenary session of the 11th Party Central Committee, our Party, restoring and developing the ideological line of seeking truth from facts, upholding the principle of practice as the only test of truth, correcting "left" and right deviationist mistakes and combatting bourgeois liberalisation, has reinstated and implemented a correct Marxist line.

Our Party has reached scientific conclusions concerning historical issues over the last 30 years. We must uphold these correct conclusions and continue to sum up the experiences and lessons of the modernisation and reform and opening of the last ten years, and thus gain a deeper and more comprehensive understanding of history.

## **Conclusions from history**

Recalling the history of these 40 years, we may, minimally, come to the following four basic conclusions:

The establishment, consolidation, and development of the socialist system constitutes the objective law of the movement of China's modern society, and the greatest and deepest change in China's history.

Without carrying out the people's revolution with the aim of socialism, China would not have been able to overthrow imperialism, feudalism and bureaucratic capitalism — nor could she have emerged from darkness into the light.

If China had not taken the socialist road after the founding of the People's Republic and had not upheld the people's democratic dictatorship, she would not have been able to defend her national integrity and national independence and gradually achieve the aspiration of the people for common prosperity.

If China does not persist in socialism in the years to come but instead chooses, as some people advocate, to return to the capitalist road, and thus once more give rise to a capitalist class by fattening it with the sweat and toil of her labouring people, then with so huge a population, so low a level of social productive forces, the majority of the people can only be reduced once more to an extremely impoverished status.

Socialism is a system that requires constant development and improvement on its own basis. Under the conditions of socialism, our basic task is to effect a vigorous growth of social productive forces by focussing on economic construction.

To base ourselves on Chinese reality, sum up our practical experience and in accordance with the actual level of our social productive forces and the objective needs for further development purposefully readjust the part of the production relations which does not conform with the productive forces, and readjust the part of the superstructure which does not conform with the economic base — this is what we mean by socialist reform.

Failure to conduct such a reform must stifle the vigour and vitality inherent in the socialist system, and seriously hamper it from displaying its superiority.

Since the third plenary session of the 11th Party Central Committee (*in 1975 Ed.*), our Party has made reform and opening to the outside world a part of its basic line, opening up brand new prospects of development for our socialist cause.

The great achievements of these ten years prove the complete correctness of the general principle and policy for the reform and opening and the need to unswervingly carry it forward.

To give full play to the spirit of patriotism and uphold the principle of independence and self-reliance is a fundamental conclusion from the successful experience of the Chinese revolution and of China's socialist construction. In modern China, patriotism and socialism are essentially united.

The Chinese people have never bowed to any foreign pressure and never will, nor will China give up the road of socialism and national independence in return for other's alms. We always welcome and have always striven to win the support of the peoples of other countries for our cause.

## **Communist Party of China**

The Communist Party of China, armed with Marxism-Leninism and Mao Zedong thought, is the vanguard of the Chinese working class and the faithful representative of the interests of the people of all nationalities in China — it shoulders the supremely important responsibility for China's independence and development.

The correct choice of the Communist Party of China as the leading core of the Chinese revolution and construction was made by the Chinese people in a protracted process of practice.

The Party has gradually matured in the process of overcoming difficulties, correcting mistakes and summing up the experience of history.

The achievements of the last 40 years we made under the correct leadership of our Party, relying on the efforts by our whole people. The root cause of our mistakes and setbacks also frequently lies within our Party. The condition of our Party is of decisive significance for the fate of our country and nation.

Here I would like to go into some important questions to which we should pay special attention for a unified understanding of the work of the Party and the state.

### **(1) On the problem of unity between upholding the four cardinal principles and the reform and opening up to the outside world.**

That the four cardinal principles are the foundation of our state, and that the reform and opening up to the outside world are the road to its strength and prosperity has become the common understanding of comrades of the whole Party and the Chinese people of all nationalities.

Many facts testify, however, that on the issue of the reform and opening, two completely different views exist.

One view, which has been persistently advocated by the Party Central Committee and Comrade Deng Xiaoping, is to uphold the socialist road, the people's democratic dictatorship, the leadership of the Communist Party and Marxism-Leninism and Mao Zedong thought, with the reform and opening as the self-improvement of the socialist system.

The other view on reform and opening upholds bourgeois liberalisation. This is the stand of those who demand "total Westernisation" which amounts to departing from and going against the four cardinal principles in essence. Such so-called reform and opening constitutes transformation into capitalism and brings China into the orbit of the capitalist system of the West.

We must make a clear demarcation between the two distinct views. Today, the four cardinal principles and bourgeois liberalisation stand in diametric opposition. It can be said that this contrast is reflected, to a great extent, in the problem of whether or not in the reform and opening we persist in the orientation of socialism.

While working out and implementing the principles, policies, measures and plans for modernisation, we should treat the upholding of the four cardinal principles and the policy of reform and opening as one organic whole, and implement the four cardinal principles in all fields of our work.

### **(2) On the problem of China's strategic plan for economic development and improvement of economic environment and setting the economy in order.**

Upon the proposal of Comrade Deng Xiaoping, our Party formulated a strategic plan of economic construction for socialist modernisation. This plan has three steps.

The first step is to double the GNP of 1980 and solve the problem of food and clothing for our people.

The first step is to double the GNP of 1980 and solve the problem of food and clothing for our people.

The second step is to double it again by the end of this century, thus enabling our people to lead a fairly comfortable life.

The third step is, by the middle of the next century, to reach the per capita GNP of moderately developed countries.

This will signify that our modernisation has been basically accomplished and our people have begun to enjoy a relatively affluent life. Then, on this basis, China will continue to advance.

This strategic plan is neither over eager for quick results nor passive and inert. It conforms to China's actual situation and can be realised through effort.

Throughout the process of achieving it, we shall always give the development of education a strategic priority. Economic growth will be gradually switched to dependence of scientific and technological progress and continuous rise of labour productivity.

We shall strictly control the growth of population, raise its quality, make rational use of resources and pay attention to the preservation of the environment. All these are of paramount importance.

Now the first step has been basically taken, and we are taking the second step, which is a key one. To fulfill it, we must continue to unswervingly implement the policy of improving the economic environment, rectify economic order and deepen the reform.

We shall strive, in three years or a little more time, to basically alleviate the excess of total social demand over total demand, gradually eliminate inflation, and extricate the national economy from its predicament. The economic difficulties we are faced with have accumulated in the past several years.

In the period of improving the economic environment and overcoming economic disorder, we should lay stress on a proper degree of centralisation, gradually increase the proportion of state financial revenues in the national income, and increase the proportion of state revenues controlled by the central government.

Without control over the necessary financial resources, it would be impossible for the central authorities to ensure key construction and accomplish the task of improving the economic environment and overcoming economic disorder.

It is necessary to oppose excessive decentralisation and strengthen the authority of the central government so as to enable it to lead a sustained, stable and co-ordinated development of the national economy.

The improvement and rectification of the economy does not in the least mean retrogression or halting the forward movement of the reform. It not only creates conditions for deepening reform and guaranteeing its sound development, but also requires the co-ordination of the reform itself.

Any view or action separating reform from the improvement and rectification of the economy and setting one against the other is incorrect. Those who are not enthusiastic for improving the economic environment and overcoming economic disorder are, in fact, not enthusiastic for the reform.

### **(3) On the problem of persisting in the combination between the planned economy and the market mechanism.**

Our socialist economy is a planned commodity economy based on public ownership. There is an essential difference between our commodity economy and the capitalist commodity economy subject primarily to spontaneous regulation through the market based on private ownership.

In an overall sense, the ability to purposefully develop the national economy in a planned and proportionate way is a sign of the superiority of the socialist system and a basic feature of the socialist economy.

The planning system we formerly practised which was over-centralised and too rigidly controlled should, without doubt, be reformed. In the past decade, while practising guidance under the state plan, we also gave play to the positive role of regulation through the market and achieved marked success in developing the national economy, making the market prosperous and improving the living standards of the people.

Of course, if we persist in weakening and totally negate the planned economy and try to create a completely market-oriented economy, it wouldn't work in China and would surely throw the economy and the entire society into confusion.

Through practice we should make constant explorations and endeavour to create a mechanism of the socialist commodity economy suited to China's conditions and capable of organically combining the planned economy with regulation through the market.

The extent, method and scope of combination between the planned economy and regulation through the market should be constantly adjusted and perfected in accordance with actual situations.

This is an important theoretical and practical problem. I hope that comrades of the whole Party, particularly its economic workers, will try hard to gradually solve the problem.

### **(4) On the problem of upholding public ownership as the main body and developing diverse economic sectors.**

In China's economic growth, we shall persist in taking public ownership as the main body and developing diverse economic sectors, bringing into play the beneficial and necessary supplementary role of the individual economy, the private economy, Chinese-foreign joint ventures, co-operative enterprises and foreign-owned enterprises.

By persisting in this policy, we can give better effect to the superiority of the socialist economy and accelerate the development of the national economy. This doesn't mean in any way weakening or eliminating the position of public

ownership as the main sector, much less do we want to “privatise” our economy.

The proportion and scope of the development of non-public ownership in China’s national economy will be determined by the actual situation of the productive forces and by objective requirements.

We should not simply regard the proportion occupied by the non-public sectors as a measure of the accomplishment of the reform. The state will support the growth of the publicly owned economy by supplying it with funds, credit, energy and raw materials and, at the same time, deepen the reform of the system of management of publicly owned enterprises.

Large and medium-sized enterprises under public ownership are the mainstay of China’s socialist modernisation and the main sources of the state’s financial revenues. Bringing their backbone role into full play will be of special importance to the development of China’s economy.

Not only should we provide them with necessary macro-economic conditions we should also encourage them to strengthen themselves internally, improve their management and introduce technical transformation and innovation so as to fully tap their innate potential — raise their capacity for financing themselves, accumulating their funds, developing themselves and acting with restraint and enable them to give better play to the advantages and the leading role of the publicly owned economy.

At the present stage, the development of the individual economy and privately owned economy, both in a subordinate position to the socialist economy, is important and indispensable for the development of social production, for bringing more convenience into the people’s lives and for the creation of more jobs.

Our policy towards these sectors is, first, to encourage them to develop vigorously within limits specified by the state; second, to strengthen management and guidance over them by economic, administrative and legal means so as to give effect to their positive role and to restrict their negative aspects that are harmful to socialist economic development.

**(5) On the problem of persisting in “each according to his work” as the major form of distribution among various forms, and preventing and correcting the unfairness in social distribution.**

The development of diverse economic sectors, with public ownership as the main one, inevitably gives rise to various forms of distribution in addition to “to each according to his work” as the main form.

Through reform, we have made headway in establishing and perfecting such a structure of distribution. We are in favour of, provided the goal of prosperity for all is kept uppermost, some people becoming prosperous first through honest labour and legal means. This policy is correct and should be continued.

At the same time we should be aware that there are many problems in the present distribution system, some quite serious.

On the one hand, equalitarianism in distribution has not yet been completely overcome among wage earners in enterprises, public undertakings and Party and government departments, and has even become worse in some localities, departments and economic fields.

On the other hand, new and unfairly wide gaps in social distribution has also emerged. The new unfairness is manifest mainly in the excessive disparity between the incomes of the broad ranks of wage earning workers, staff members, cadres and intellectuals on the one hand, and the personnel of many business firms in non-productive trades, some people having "secondary jobs" and, in particular, private enterprise owners and a number of self-employed business operators on the other.

This has led to widespread concern in society and strong dissatisfaction among the labouring people.

Unfairness in social distribution is not only an economic but also a social and political problem. It dampens the enthusiasm of workers, cadres and intellectuals and stimulates the undue growth of consumption funds.

In particular, the phenomenon of unbridled profiteering — with speculation, bribery, graft and embezzlement — has already produced such severe consequences as disruption of the economic order, demoralisation in society and damage to social stability.

Therefore we must pay great attention to this problem and come to grips with it. Legal incomes should be protected; unduly high incomes should be adjusted downward where necessary through taxation; and illegal incomes resolutely banned.

At the same time, the living standards of poorly paid mental and manual workers should be improved step by step.

We should continue to adhere to the principle of combining material reward with moral encouragement and correct the mistaken tendency of "putting money above everything else" so as to fully arouse and protect the enthusiasm of the labouring people.

## **(6) On the problem of strengthening agriculture and basic industries and readjusting the economic structure.**

To ensure a sustained, stable and co-ordinated development of the national economy, we must, keeping our long-term modernisation strategy in mind and at the same time proceeding from our very unreasonable present industrial composition, strengthen our basic industries and readjust the industrial composition in an effort to build up the potential of our economic and social development and eliminate any short-sighted behaviour aimed at seeking for superficial prosperity.

Great efforts should be made to strengthen agriculture, boost energy, transportation, communications, important raw and semi-finished materials and other basic industries, build up the infrastructure, guarantee the development of science, technology and education and to strictly control the scope

and rate of growth of the processing industries and non-productive construction.

To this end, it is necessary to continue to cut down on the scope of investment in fixed assets, strictly control the rate of growth of consumption funds, launch energetic campaigns for increasing production and practising economy, and to establish, step by step, a balance in finance, credit, foreign exchange and the supply and demand of major materials and goods.

Financial strength and materials should be concentrated on construction in agriculture and other basic economic sectors so as to raise the productive capacity of society as a whole.

The sustained growth of agriculture, and especially of grain production, is the foundation for the development of the entire national economy.

The problem of feeding 1.1 billion people can be solved only by adopting correct policies and by sustained effort, and not by relying on anyone else. This is a basic situation with our country which we must never forget. To develop agriculture, we should:

i) continue to deepen the rural reforms and implement stable rural policies, improve various forms of the contract responsibility system which links remuneration with output, establish and perfect a system of technical services for the entire process of agricultural production before, during and after the farming season, and at the same time promote operation on a rational scale on the basis of farmers' volition and in localities where conditions permit.

ii) actively popularise up to date agro-technology and organise the development of agricultural zones in a planned way so as to create new productive forces and ensure the all-round development of agriculture, forestry, animal husbandry and fishery.

iii) increase input into agriculture by the state, localities, collectives and individual farmers so as to expand the capital construction of farmland and water conservancy projects, energetically develop agriculture related industries, improve the conditions for agricultural production, and the phenomenon of indiscriminately occupying and wasting farmland should be resolutely rectified.

## **(7) On the problem of building socialist democracy and legality.**

To build a highly advanced socialist democracy and a complete socialist legal system is among the important goals and tasks of our country's modernisation program and the common desire of the Party and the people.

Since the founding of the people's republic, and especially in the last ten years, our country has made marked achievements in the building of democracy and of a legal system, and there are now laws to go by in almost all major aspects of governmental and social life.

At the same time, we must see that the building of democracy and a legal system still remains an extremely arduous task.

Without democracy, there can be no socialism. A socialist legal system is the expression and guarantee of socialist democracy. The destruction of the socialist legal system must inevitably jeopardise socialist democracy.

The Constitution and laws must be strictly observed. Efforts should be continued to improve the system of people's congresses, the multi-party co-operation led by the Communist Party and the system of political consultation; establish and perfect the systems and procedures of democratic decision-making and democratic supervision; expand the channels of contact with the masses and of dialogue with them, enhance the citizens' sense of political participation and guarantee that the people's wishes and interests can be really expressed in the life of the state and of society.

Like economic development, this constitutes an important guarantee for our country's stability and prosperity.

To build democracy and a legal system, we must proceed from the realities in China and carry it out under leadership, in an orderly way, step by step, along the orientation and within the orbit of socialism.

In this process, some of the practices in capitalist countries can serve us as a reference, but they must not be copied indiscriminately.

We must clearly distinguish between socialist democracy and capitalist democracy, between socialist democracy on the one hand and extreme democratisation and anarchy on the other.

The essence of the politics of "the elite", political pluralism and the multi-party system advocated by a small handful of people is to push the broad masses of people out of the scope of democracy, negate the leading position of the Communist Party and substitute a bourgeois republic for our socialist people's republic.

The tendency of extreme democratisation and anarchy has a wide social basis in China and is very destructive to our cause and is liable to be exploited by a small handful of reactionaries.

We must maintain sharp vigilance and resolutely prevent this trend from running rampant. We do so precisely to guarantee the democratic rights of the majority and to guarantee the healthy development of socialist democracy and the socialist legal system.

Democracy towards the people and dictatorship towards hostile elements and anti-social elements are closely linked with each other and complement each other. The function of dictatorship cannot be weakened so long as class struggle exists in some areas of life.

## **(8) On the problem of building socialist culture and ethics.**

Socialism should achieve not only economic prosperity but also the all-round progress of society. Equal attention to socialist material civilization and socialist culture and ethics is our basic principle.

The building of socialist culture and ethics is aimed, in the final analysis, at raising the quality of the whole nation and nourishing people of a new socialist

type with ideals, ethics, culture and a sense of discipline. It is inconceivable that a nation without a strong spiritual prop can stand independently among the galaxy of the world's nations.

We must draw the profound lesson of the danger of stressing material civilization while neglecting the building of socialist culture and ethics, as was done in recent years, and we should, while striving to develop material civilization, also earnestly build up socialist culture and ethics.

The development of education and science is a long-term undertaking which has a major, far-reaching significance for the rise of social productive forces and the improvement of the quality of the nation. The level of our education and sciences remains relatively backwards, which makes it all the more necessary for us to adopt effective measures to achieve better results in these areas.

We must greatly strengthen and improve our work in the political and ideological field and do so in close co-ordination with the realities of the modernisation effort, the reform and the opening and with what is in the minds of the people.

Unremitting efforts should be made in ideological education in patriotism, collectivism, socialism, self-reliance and hard struggle, as well as revolutionary traditions among the masses of the people, particularly the youth.

Constant communist ideological education should be conducted among the members of the Party and youth league and among the advanced elements.

We must provide Marxist and socialist ideological guidance for the departments of theoretical studies, propaganda and education, the press, the publishing industry, and the departments engaged in literature and the arts, and occupy positions on the ideological and cultural fronts and in the media and enrich the spiritual life of the masses of the people. Active efforts should be made to guide the masses to consciously resist the influences of erroneous ideologies and decadent ideas and cultivate a scientific, healthy and civilised style of life, thus turning themselves into genuine hard-working and enterprising socialist workers and builders.

Schools of different types at all levels should not only establish a complete system for conveying knowledge but should put moral education in the first place and build up a firm, correct political orientation. We must stick to the orientation of serving the people and socialism and to the principle of letting a hundred flowers bloom and a hundred schools of thought contend in order to prosper and develop our scientific and cultural undertakings.

We must actively absorb all the fine achievements of our country's history and culture and of foreign culture, and resolutely discard all feudal and capitalist cultural dross and spiritual garbage. In this regard, at present, we must pay special attention to combating the ideology of national nihilism which completely rejects China's traditional culture and worships everything foreign.

### **(9) On the problem of strengthening the leadership of the working class, consolidating the worker-peasant alliance and enhancing the great unity of the people of all nationalities in China.**

Workers, peasants and intellectuals are the basic force for achieving socialist modernisation. Wholehearted reliance on the working class is called for by the nature of our Party and state. The working class, particularly the industrial workers, are closely connected with modern mass production. They are the representatives of the advanced forces and relations of production and have a high sense of organisation and discipline.

During the protracted revolutionary struggles and in the course of construction, they have displayed their firm political stand, self-sacrificing spirit, spirit of building up the country through arduous efforts, and historical initiative. They are deservedly our country's class and the mainstay of our socialist cause. Any view which belittles the position and role of the working class is totally wrong.

A handful of persons attempted to create a so-called "middle class" in China as a force they could rely on to subvert our socialist system. This has again proved, from the negative side, that we must rely wholeheartedly on the working class.

The peasant masses of our country have always been natural allies of the working class. They firmly support the socialist system and the leadership of the Party.

We must further strengthen the assistance of industry to agriculture, strengthen the support of the cities for the rural areas, and constantly adopt practical measures political, economic, educational, scientific and cultural to consolidate the worker-peasant alliance on a fresh basis. This is the basic condition for the stability in our state and our society.

Our intellectuals are already a part of the working class. Without knowledge and intellectuals, it would be impossible to build socialism. This basic view of our Party and the policies concerning intellectuals adopted since the third plenary session of the 11th Party Central Committee have not been and will not be changed because of the recent political turbulence.

We have a very good contingent of intellectuals who keep to the road of socialism. Party committees and governments at all levels must continue to carry out the principle of "respecting knowledge, respecting the intellectuals" and strive to create and provide good working and living conditions for them.

The Party and government have always considered the youth, young intellectuals included, the future and hope of the country, consistently treating them with love and care on the one hand and putting strict demand on them on the other, sincerely hoping that they will grow up healthily and quickly become qualified citizens.

We also sincerely hope that the mass of intellectuals, particularly the young intellectuals, will seriously study Marxism-Leninism and Mao Zedong thought, persist in plunging into social practice and combining with the work-

ers and peasants, constantly absorb nourishment from the activities of the people as creators of history, and give full play to their own wisdom and talents in the country's socialist construction.

We must, on the basis of consolidating the worker-peasant alliance, further develop the broadest possible united front, consisting of all the socialist working people, patriots who are for the reunification of the motherland, and enhance the unity of the people of all nationalities.

Ours is a unified multi-national country. All our results of revolution, construction and reform are the joint creation of the people of all our country's nationalities.

Under the leadership of the Communist Party and the government, the various nationalities have not only established and developed the new type of relations of equality, unity and mutual aid but, through the introduction of regional national autonomy, the minority nationalities are ensured the right of being their own masters and managing their own internal affairs.

We must continue to firmly carry out the principle of national equality, national unity and the common prosperity of all nationalities. We must fully trust and rely on the cadres and masses of all nationalities and take a clear-cut stand and carry on a resolute struggle against all conspiracies to split our motherland.

We must improve the legal system aimed at strengthening the regional autonomy of minority nationalities. We must make great efforts to train cadres and professionals of all kinds of the national minorities and ensure that the national autonomous areas can fully exercise their right of autonomy.

Necessary measures should be adopted to continue help and support to the minority areas in developing their economic, educational, cultural and other undertakings, and prolonged, unremitting efforts must be made to gradually eliminate the gaps that exist to different extents between different nationalities for reasons of history.

### **(10) On the problem of strengthening the building of the Party.**

Ours is a great Marxist political Party, the decisive force for maintaining the political stability of China for a long time to come, and the firm force at the core leading the people of all our nationalities in building socialism with Chinese characteristics.

The struggle to check the disturbances and quell the rebellion has once again tested our Party, and proved that, viewed as a whole, the Party is both good and strong. Our Party was born, developed and grew in close contact with the masses of people. Without the support of the masses, the Party could not survive for even a day.

After we became the Party in power, some phenomena of bureaucratism, commandism, abuse of power for personal gains, corruption and degeneration, which result in alienation from the masses of the people, have gradually emerged. In the last few years, because Party building and ideological and political work have been weakened, problems of ideology, style of work, dis-

cipline and organisation within the Party have been further aggravated.

We must adhere unwaveringly to the aim of "serving the people wholeheartedly" and persist in the fine style of work characterised by close combination of theory with practice, maintenance of close ties with the people, and criticism and self-criticism.

We must run the Party strictly in accordance with the Party constitution. We must make firm decisions and take resolute and effective measures to eliminate all obstacles, overcome all corrupt phenomena and restore and develop the blood-and-flesh ties between the Party and the people.

Party organisations at all levels, first of all the Central Committee, must strictly practice democratic centralism. Leading organs at all levels must adhere to the system whereby collective leadership is combined with division of responsibilities among individuals, improve inner-Party democracy, strengthen democratic supervision, and prevent decision-making by a few persons, particularly arbitrary decision-making by one person.

Much attention must be paid to the building of Party organisations at the grassroots level, and any state of feebleness and laxity must be removed. All communists and cadres of the Party, particularly leading cadres, must strictly abide by Party discipline and consciously speak and act in harmony with the Party's line, principles and resolutions. The practice of each going his own way is not allowed.

Raising the Party's theoretical level is the basic guarantee for its correct and scientific leadership.

Considering the many new circumstances and problems occurring in the world and in China, and the great responsibilities shouldered by our Party in China's socialist construction and its important place in the international communist movement, we must make it our urgent task to study the basic theories of Marxism and conduct research on important questions of political, economic and social theory in the present world under the guidance of Marxism.

This task should be put before the whole Party. Within the Party and first of all among the Party's senior cadres, we should encourage the earnest study of the basic theories of Marxism-Leninism and Mao Zedong thought, particularly Marxist philosophy, so as to master the scientific world outlook and methodology.

A communist who lacks theoretical training in Marxism and is not good at using the correct stand, viewpoint and method in analysing and solving problems cannot play his due role, nor become qualified for any leading role in the Party at all.

We must resolutely change the situation in which many leading cadres are bogged down in everyday matters, slacken their theoretical study and pay no attention to ideological and political tendencies. Real, earnest efforts should be made to raise the theoretical level and political sharpness of the whole Party.

Comrades and Friends,

At present, tension in the international situation is subsiding, and confrontation is giving way to dialogue. The era when the superpowers manipulated international affairs has changed considerably, hegemonism is being foiled everywhere, and the third world countries are playing stronger roles in the international arena.

By depending upon the common efforts of all peace-loving countries and peoples, it has become possible to maintain a lasting peace in the world and to avoid a new world war. Peace and development are two great tasks facing the world.

This general trend and pattern of the international situation has not changed. It is possible for us to achieve a peaceful international environment for a comparatively long period to carry on China's socialist modernisation. However, we must be aware that not all is well in today's world, there are still many contradictions, struggles and unstable factors.

It should be stressed here that the international reactionary forces have never given up their basic stand of hostility towards the socialist system and their attempts to subvert it.

Beginning in the late 1950s, after the failure of their military interventions, they shifted the focus of their policy to "peaceful evolution". They adopt political, economic and cultural means to infiltrate and influence socialist countries, exploiting their temporary difficulties and reforms.

They support and buy over so-called "dissidents" through whom they foster blind worship of the Western world and propagate the political and economic patterns, values, decadent ideas and life-style of the Western capitalist world.

When they feel there is an opportunity to be seized, they fabricate rumours, provoke incidents, plot turmoil, and engage in subversive activities against socialist countries.

Class struggle is now no longer the major contradiction in Chinese society, but still exists within a certain sphere, and may sharpen under certain conditions.

And it is precisely on this point that the international hostile forces have sought grounds for carrying out their strategy of "peaceful evolution". The struggle between infiltration and counter-infiltration, subversion and counter-subversion, "peaceful evolution" and counter-"peaceful evolution" will last a long time.

We propose setting up a new international political and economic order on the basis of the five principles of peaceful co-existence — and that all countries in the world should refrain from interfering in the internal affairs of other countries; that the independence and sovereignty of each country be respected; that the people of a country should be free to choose the social system, path of development, as well as ideology and morality which they deem suitable for their country.

Differences in social system, in ideology, or in other aspects should not become obstacles to the development of friendly international relations and economic and cultural contacts.

We respect all foreign governments and friends who practice equality in their contacts with China and we will continue to develop and expand friendly co-operation with them.

Socialist China has one-fifth of the world's population as well as tremendous actual and potential economic strength. This is an objective reality which no one can overlook.

Comrades and Friends,

A century ago, when Karl Marx and Friedrich Engels — the great teachers of the world's proletariat — passed away, there were not many people who believed in their theory of scientific socialism. Today, socialism has become a living reality on a world scale and is being practiced by hundreds of millions of people.

The new-born socialist system has experienced twists and turns in the course of its development. However, history has proved, and continues to prove, that the socialist system possesses a strong historical vitality and great viability.

Socialism replacing capitalism is the real mainstream of history. It is a decisive stage in which mankind emerges from the realm of necessity to enter the realm of freedom.

At this time when we are celebrating the 40th anniversary of the founding of the People's Republic of China, we look back on the past and forward to the future — we stand here in China but have the whole world in view — we are full of confidence in our socialist cause and are sure of a bright communist future for mankind.

# Politics of the coming Federal elections

by Nick Southall

**The present situation in Australia calls for the adoption of a program of alternative political and economic policies in the interests of the working class to replace the pro-big business policies which have been implemented in recent decades by the Liberal-National Party Coalition and by the right-wing ALP leadership.**

“There is growing support in the working class and among working people generally for a left-progressive alternative to the right-wing policies of both the Labor Party leadership and the Liberal-National Party coalition.

“Policies and activities are needed which reverse the present situation and put the needs of the people before those of big business.” (*SPA Political Statement* p. 21)

This is a task for the left-progressive organisations in the coming elections and it will remain a main task in the future until it is finally achieved.

## **United front**

Since it was formed in 1971, the SPA has based itself on the development of the united front of the working class and the unity of all progressive forces in defence of the working people's fundamental rights, for the extension of democracy, for economic and social advance, for world peace, for socialism.

In the period since departure from Communist principles and practices by the Communist Party of Australia, the left forces in Australia have been divided. The work for the united front has suffered; the effectiveness of the labor and progressive movements has diminished.

Today, there are still those on the left who are not prepared to enter into an alliance except so far as it will help their own electoral prospects or their own political organisation.

There are also those on the left who do not accept that an alternative is needed and do no more than call for the re-election of the ALP.

They have little to say on the need to establish and build organisations and alliances of the left which will eventually win leadership of the working class and, in government, will carry out policies genuinely in the interest of the working class.

Their approach, by failing to raise this perspective, condemns the working class to supporting the ALP while attempting to push it into adopting a more progressive position.

“For the left to become, in fact, an alternative it has to present a realistic program, win mass popular support for its program and demonstrate its capacity to lead the struggles for its implementation.” (*Political Statement* p. 23)

## **Re-uniting the left**

The process of re-building and re-uniting the left will, initially, take the form of agreement on issues and joint action in support of commonly held policies.

Frank and honest discussions must be held at all levels and any steps taken must be thoroughly analysed and evaluated.

In order to carry out these tasks effectively, the SPA will have to build and strengthen the Party and the mass organisations of the workers. It is only by building and expanding the organisation of the Party, engaging in struggle with the working class and its allies, that the SPA will succeed in bringing about left unity and draw in all other democratic sections and classes of people for replacement of the two-party system.

## **Tasmania**

Tasmania has already entered a new era beyond the two-party system. State Parliament resumed in June, after the May election, with a ALP/Green Independent coalition government.

This is a highly significant break in the long domination of Australia's political life by the two-party system.

The parliamentary “accord” entered into between the ALP and Greens sets out an extensive reform program. It is to be hoped that the coalition will carry the agreed program out.

Meanwhile, at a national level, the big swings against the ALP in a number of seats at the last election clearly show the disaffection many voters have with the policies of the Hawke Government. However, the overall result indicated that while many oppose such policies, they were not prepared to give their vote to the conservative parties.

The votes given to left and progressive candidates also showed that while many people had grave concerns about Labor, the majority were not yet ready to support parties which offered working class solutions.

Despite this, progressive/left candidates received thousands of votes nation-wide, showing support exists but has not yet been developed to a stage where the real alternatives put forward are perceived as necessary by the working class.

## **Left parties meet**

As far back as the beginning of 1988, the SPA sought to get the left parties together to discuss election work.

Meetings have been held of representatives of the Socialist Party of Australia, Socialist Workers Party, Communist Party of Australia, Association for Communist Unity, Socialist Network, Rainbow Alliance and the Nuclear Disarmament Party (NDP) to deal with questions related to the forthcoming Federal elections.

These meetings have been kept informed of the decisions of the Socialist Alliance to stand candidates in certain electorates and that the NDP is fielding a Senate team and a couple of House of Representatives candidates in NSW.

The meetings of left parties show that the efforts to get left forces together on specific issues can bring a result if a patient and persistent approach is maintained.

### **“Green” candidates**

The next Federal elections will also see an array of green candidates either standing as independents or as part of a green alliance.

At present, there are two major green alliances, active mainly in NSW, in the process of determining their policies and candidates for the next election in various States and electorates.

The Green Electoral Network is made up of established conservation organisations including the Wilderness Society. They are presently looking at endorsing a number of candidates, although their position is still unclear.

The Green Political Network (GPN) is supporting the establishment of “green parties” in regional centres and various electorates. These “green parties” are then endorsing candidates for the House of Representatives in their own areas. The GPN is still to consider running a Senate team. The majority of these “parties” have been established on the same principles as the West German Green Party.

A number of left and progressive organisations are supporting the Green Political Network to varying degrees.

It is extremely important that contact is made with these groups and their candidates and that discussions are held on the forthcoming election and forms of co-operation.

### **Attitude to ALP**

The meetings of left-progressive organisations also demonstrated the differences that exist amongst the left and that the question of attitudes to the Labor Government and its policies is a point of some contest.

In Australia, the Labor Party is a party of social democracy which has close connections with and support from major sectors of the Australian working class on the basis of its limited policy of social reforms, while at the same time remaining a party which fundamentally supports the preservation and extension of the capitalist system.

“The SPA rejects the view that there is little or no difference between the Labor Party and the open parties of monopoly, such as the Liberal and

National Parties.” (*SPA Program* p. 53)

While recognising that the dominant forces within the Labor Party accept the ideology of reformism rather than socialist change, the SPA also recognises the potential for unity around specific issues which can and needs to be developed with the ALP.

## **ALP and the united front**

It is important to develop the strongest possible united front between the SPA and members and supporters of the ALP for the consolidation of world peace, for economic and social advance of the Australian working class and for an understanding of the need for socialism as the basic requirement to overcome the economic crises which are chronic, recurring features of the capitalist system.

The Labor Party is an important component of the Australian labour movement. It emerged from the trade unions and the then existing socialist organisations as the Australian working class recognised that they had to struggle for social advance by political, parliamentary action as well as at the trade union level.

The trade union movement and many individual trade union members have given support at Federal and State elections to ALP candidates. Large sums of money and much physical support given by trade unions and members has helped ALP candidates and governments to be elected.

However, from its origins, the ALP has never been a party which sought to replace capitalism with socialism.

## **Reformism**

The ideology of the Labor Party is reformism. Reformism is not working class ideology but the ideology of the bourgeoisie adapted to the labour movement which serves to justify the preservation of capitalism.

The present Labor Government has broken many election promises and torn up long established ALP policy declarations. Instead of siding with the working people, Hawke, Keating and others not only fawn on the leaders of big business, they do everything to carry out policies in their interest.

Still, some sections of the ALP do seek to base themselves on a socialist outlook although no substantial and consistent influence based on Marxism-Leninism exists.

“The SPA welcomes progressive and socialist trends within the ALP and works constantly for unity with the ALP and its supporters for progressive reforms and for basic and substantial restructuring of Australian society.

“While seeking united activity with the ALP and left forces within it, the Marxist-Leninist Party does not compromise with reformist ideology and ceaselessly aims to expose to the working class the danger and inadequacies of that ideology.”(*SPA Program* p. 53)

## Winning political power

The SPA is a Marxist-Leninist Party. In capitalist Australia, we are a political party in competition with other parties to win political power.

Campaigning for, winning and participating in parliamentary activities are part of political work. Parliaments are important places in which to fight capitalist policies and publicise the alternatives. Work within parliaments, plus mass activity outside, can achieve reforms and, at the same time, show the limits of parliaments where the laws, procedures, the state apparatus and much else is weighted heavily against the working people.

Communists know well the severe limits of parliamentary control over economic enterprises, over the bureaucracy, military, police, and so on. They strive to overcome the view that parliament is the main instrument for social change and that extra-parliamentary activity should be subordinated to parliamentary tactics.

Communists fight for a people's government and constitution which would guarantee and extend democratic rights.

## Campaigning

Campaigns around the everyday problems experienced by people in their local areas help to raise their consciousness and their ability to act collectively. Local struggles should be linked with struggles in the workplace and with regional, State and national actions which help to build working class unity.

"Real people's democracy, that is, effective rule by the majority of the people by their participation in all economic, political and social affairs, is only possible with the smashing of the present entrenched dictatorship of monopoly capital." (*SPA Program* p. 31)

The SPA's Political Program sets out our basic demands on government, it sets out what we would seek to achieve if we were elected to government and illustrates the socialist aim of co-operation.

In their parliamentary work, communists work closely with workers' and progressive movements. They aim to make parliament more democratic by involving the electors in decision making, by introducing the right of recall and by ensuring greater community access to information.

Our aim is to bring the consciousness of the working class into correspondence with its objective position in life and prepare them for the struggles for the practical realisation of their interests.

There is a great need to gain extensive knowledge both in the theory of Marxist propaganda and its practice so as to fulfill the task of raising consciousness.

We need to improve our activity to promote our Party's involvement in the political life of this country.

In this way, the Party can win the leadership of the working class, helping

to impart working class consciousness, guiding the struggles of the workers and representing the interests of the working class.

Our strategy must be based on present realities and must link the present struggles and needs of the working class with a socialist solution.

### **Election work**

The SPA needs to carefully select its candidates well in advance of elections. It needs to hold meetings, have press sales drives and utilise every effective means of popularising the Party's candidate around local issues outside of election times.

It is important for us to put more work into looking at ways that our workplace activity and our ideological activities can be effectively linked with methods of achieving support for the SPA as a political force in the government of this country.

All trade union bodies, community and progressive organisations in the electorate should be contacted requesting that the Party candidate have the opportunity to speak to them on the Party's campaign. We should request that these groups share their views about what issues the Party's campaign should concentrate on.

We should also call public meetings to get community and individual submissions on the campaign.

### **Connected to the people**

The candidate and Party organisations must have good connections with the people. They must be active locally and be trusted.

As the Labor Government has now been in office for nearly seven years and many areas where Party candidates will run have a sitting ALP member, we will have to be critical of the ALP and the actions of the Labor Government.

Of course, great care should be taken to ensure that this criticism does not include sectarian statements and that we are even more critical of the conservative parties and their policies.

Each candidate should have the support of a local campaign committee consisting of at least a campaign manager, fund raiser and publicity officer.

The strength of the Party in the electorate is the most important factor in the outcome of the Party's electoral campaigns and must be taken into full consideration.

If possible, a campaign headquarters should be established in the electorate, as centrally as possible.

### **Propaganda**

Regular advertisements should be placed in local newspapers, newsletters and on radio if possible. Some papers and newsletters will accept articles on specific subjects that the candidate may be qualified or "expert" in. Letters columns and talk back radio should also be utilised.

Leaflets should be distributed in pubs, clubs, workplaces, education institutions, on the street and through letterboxing. The candidate should attend public meetings in the electorate to put forward the Party's position on whatever question is under discussion.

The production of stickers, posters, badges, T-shirts and placards for people's yards and on the street is also important.

Some cinemas still carry slide advertisements before movies; this should be looked at as well.

All propaganda should be worded in simple, straightforward, readable language designed to encourage the reader to further reading of our material.

Speaking on the street is not very popular any more and takes quite a bit of courage. But this is a tried and tested method of getting ideas across. Any opportunity to speak in public should be grasped. A soapbox outside a large workplace, at a shopping centre, on a campus and so on can be effective.

Dances, BBQs, raffles and other activities should be held regularly to raise finance.

And finally, on polling day all booths should be covered. Previous election results can be used to ascertain at which booths left/progressive candidates received the most votes in previous elections.

Each of these areas are important, each requires special analysis and organisational measures. Each requires training and assistance of our members and allocation of cadres to carry out the work at different levels of the Party.

The Party's task is to stand at the lead of the working class struggle and to act as mobiliser of the broad masses to bring about a decisive shift in the political life of the country. It must wage a political-ideological offensive among the masses to popularise the Party's policies and the principles of scientific socialism.

The Party must constantly show that the social system of capitalism is the cause of the present economic and social crisis and that it must be challenged and changed.

To achieve this, the Party must increase the ideological level and activity of all Party members. The Party must recruit more members and increase the circulation of *The Guardian* and other Party literature.

Greater attention to electoral work by the Party will increase the mass support for the Party and increase Party membership.

What is required is a determination within the Party to do this, based on an appreciation of the concept of the Party and its role in the struggles of the working class.

"Views that parliamentary representation by the Party is 'impossible' or 'too distant a proposition to consider' or that political support is dependent on and subsequent to mass action on economic issues, must be overcome." (*Political Statement* p. 42)

# The West's peaceful evolution examined

by Shu Yu

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Peaceful evolution means the promotion by capitalist countries of a change from the inside in the character of political power in socialist countries through political, economic, cultural, ideological and other peaceful ways. So, in a sense, it is just a coup d'état by other means.

Signs that it is being achieved are the following:

- (1) The socialist political and economic systems are changed, public ownership is transformed into private ownership and the parliamentary democratic system and a free market economy are introduced.
- (2) Leadership of the communist party degenerates and the party cannot represent the fundamental interests of the working class and the broad ranks of the labouring people. This, first, is due to dissidents assuming power and, second, is caused by changes in the leading group itself.
- (3) The belief in Marxism and communism is given up and Marxism no longer serves as the guiding ideology.

The strategic thinking of peaceful evolution among Western countries was first advanced in the 1950s by John Foster Dulles, Secretary of State in the US Eisenhower administration. He talked of "liberating" the peoples of socialist countries through "peaceful ways". Afterwards, Western countries started to practise peaceful evolution in their policies towards socialist countries.

The course it has taken can be divided into three phases: Formulation and initial trial in the 1950s and 1960s, implementation in some areas in the 1970s, and energetic development in the 1980s when the struggle of evolution and counter-revolution had become the important content of the trial of strength between the socialist system and the capitalist system.

In the 1950s and 1960s, because the two major camps of socialism and capitalism were in a heavy confrontation and there was a cold war, the main way for the Western countries headed by the United States to subvert socialist countries was not to carry out peaceful evolution but to stage coup d'états and armed incursions, or to organise a mercenary army to invade.

East-West relations began to gradually thaw in the mid-1960s. By the 1970s, relationships between the two sides further developed and their economic and cultural contacts also increased, thus opening more passageways for infiltration by Western countries. So their main method for subversion of socialist countries was changed into peaceful evolution.

The practices followed by Western countries in carrying out peaceful evolution are varied but in the main there are three ways:

- (1) To support and prop up intellectual "elites" who share Western bourgeois democratic ideology and theory and accept Western political and economic systems as the breakthrough point for peaceful evolution.
- (2) To provide economic and technological assistance as a bait to encourage socialist countries to carry out reform in accordance with Western standards (that is, to carry out Western-type reform), including practice of the parliamentary democratic system, a wide-open private market economy and ideological liberalisation.

The US *Foreign Affairs* (summer 1989) carried an article on "East-West Relations" written by Valery Giscard d'Estaing, Yasuhiro Nakasone and Henry A Kissinger which stated this clearly:

"We should give support to any movement toward market economies and democratic institutions....

"The absolute prerequisite is a radical transformation of the Soviet system that will bring the USSR closer to Western concepts of market economies and democratic institutions. That is the definition of perestroika which the present authors support."

An important feature in this respect is that the degree and order of importance and urgency of economic and technological and assistance are decided by the degree of Westernisation of the recipient countries.

- (3) To take joint action. Despite internal clashes, strife and struggle between control and counter-control among Western countries, they are identical in their thinking, tactics, strategy and actions when carrying out peaceful evolution towards socialist countries. They often consult, co-operate and co-ordinate.

The West European countries' long-term courtship and infiltration of some countries since the end of the 1960s and the economic "sanctions" applied to a different extent by Western countries, and the "condemnation" of the European Parliament, International Democratic Union and an organ of the United Nations following the quelling of the counter-revolutionary rebellion in Beijing by the Chinese Government are not individual and accidental actions but are all deliberately co-ordinated.

The West also widely mobilises various media (such as the *Voice of America*), non-governmental human rights foundations, trade union organisations and other organisations to make joint efforts in support of infiltration and evolution.

The present international community is an open system. Historical experience has proved that if a country closes its doors to international co-operation, it has no future. Only with reform and opening to the outside world can it be revitalised and developed.

However, under the condition of reform and opening to the outside world, peaceful infiltration and peaceful evolution inevitably exist. In order to guarantee the smooth implementation and healthy development of reform and opening to the outside world, we must carry out a struggle between evolution and counter-evolution.

# Program of action for South African liberation

**The Ad-Hoc Committee on Southern Africa of the Organisation of African Unity (OAU) adopted a *Declaration on the Question of South Africa* at its meeting in Harare, Zimbabwe, on August 21, 1989. The political analysis and program of action contained in the *Declaration* have made it a major reference point for groups all round the world, including in Australia, involved in the struggle to end the apartheid system. The *Declaration* is republished here in full.**

## **PREAMBLE**

1.0 The people of Africa, singly, collectively and acting through the OAU, are engaged in serious efforts to establish peace throughout the continent by ending all conflicts through negotiations based on the principle of justice and peace for all.

2.0 We reaffirm our conviction, which history confirms, that where colonial, racial and apartheid domination exist, there can neither be peace nor justice.

3.0 Accordingly, we reiterate that while the apartheid system in South Africa persists, the peoples of our continent as a whole cannot achieve the fundamental objectives of justice, human dignity and peace which are both crucial in themselves and fundamental to the stability and development of Africa.

4.0 With regard to the region of Southern Africa, the entire continent is vitally interested that the processes in which it is involved, leading to the complete and genuine independence of Namibia, as well as peace in Angola and Mozambique, should succeed in the shortest possible time. Equally, Africa is deeply concerned that the destabilisation by South Africa of all the countries of the region, whether through direct aggression, sponsorship of surrogates, economic subversion and other means, should end immediately.

5.0 We recognise the reality that permanent peace and stability in Southern Africa can only be achieved when the system of apartheid in South Africa has been liquidated and South Africa transformed into a united, democratic and non-racial country. We therefore reiterate that all the necessary measures should be adopted now, to bring a speedy end to the apartheid system, in the interest of all the people of Southern Africa, our continent and the world at large.

6.0 We believe that, as a result of the liberation struggle and international pressure against apartheid, as well as global efforts to liquidate regional conflicts, possibilities exist for further movement towards the resolution of the problems facing the people of South Africa. For these possibilities to lead to fundamental change in South Africa, the Pretoria regime must abandon its abhorrent concepts and practices of racial domination and its record of failure to honour agreements, all of which have already resulted in the loss of so many lives and the destruction of much property in the countries of Southern Africa.

7.0 We reaffirm our recognition of the right of all peoples, including those of South Africa, to determine their own destiny, and to work out for themselves the institutions and the system of government under which they will, by general consent, live and work together to build a harmonious society. The Organisation of African Unity remains committed to do everything possible and necessary, to assist the people of South Africa, in such ways as the representatives of the oppressed may determine, to achieve this objective. We are certain that, arising from its duty to help end the criminal apartheid system, the rest of the world community is ready to extend similar assistance to the people of South Africa.

8.0 We make these commitments because we believe that all people are equal and have equal rights to human dignity and respect, regardless of colour, race, sex or creed. We believe that all men and women have the right and duty to participate in their own government, as equal members of society. No individual or group of individuals has any right to govern others without their consent. The apartheid system violates all these fundamental and universal principles. Correctly characterised as a crime against humanity, it is responsible for the death of countless numbers of people in South Africa. It has sought to dehumanise entire peoples. It has imposed a brutal war on the whole region of Southern Africa, resulting in untold loss of life, destruction of property and massive displacement of innocent men, women and children. This scourge and affront to humanity must be fought and eradicated in its totality.

9.0 We have therefore supported and continue to support all those in South Africa who pursue this noble objective through political, armed and other forms of struggle. We believe this to be our duty, carried out in the interests of all humanity.

10.0 While extending this support to those who strive for a non-racial and democratic society in South Africa, a point on which no compromise is possible, we have repeatedly expressed our preference for a solution arrived at by peaceful means. We know that the majority of the people of South Africa and their liberation movement, who have been compelled to take up arms, have also upheld this position for many decades and continue to do so.

11.0 The positions contained in this Declaration are consistent with and are a continuation of those elaborated in the Lusaka Manifesto two decades ago. They take into account the changes that have taken place in Southern Africa since that Manifesto was adopted by the OAU and the rest of the international community. They constitute a new challenge to the Pretoria regime to join in

the noble effort to end the apartheid system, an objective to which the OAU has been committed from its very birth.

12.0 Consequently, we shall continue to do everything in our power to help intensify the liberation struggle and international pressure against the system of apartheid until this system is ended and South Africa is transformed into a united, democratic and non-racial country, with justice and security for all its citizens.

13.0 In keeping with this solemn resolve, and responding directly to the wishes of the representatives of the majority of the people of South Africa, we publicly pledge ourselves to the positions contained hereunder. We are convinced that their implementation will lead to a speedy end of the apartheid system and therefore the opening of a new dawn of peace for all the peoples of Africa, in which racism, colonial domination and white minority rule on our continent would be abolished for ever.

## **STATEMENT OF PRINCIPLES**

14.0 We believe that a conjuncture of circumstances exists which, if there is a demonstrable readiness on the part of the Pretoria regime to engage in negotiations genuinely and seriously, could create the possibility to end apartheid through negotiations. Such an eventuality would be an expression of the long-standing preference of the majority of the people of South Africa to arrive at a political settlement.

15.0 We would therefore encourage the people of South Africa, as part of their overall struggle, to get together to negotiate an end to the apartheid system and agree on all the measures that are necessary to transform their country into a non-racial democracy. We support the position held by the majority of the people of South Africa that these objectives, and not the amendment or reform of the apartheid system, should be the aims of the negotiations.

16.0 We are at one with them that the outcome of such a process should be a new constitutional order based on the following principles, among others:-

16.1 South Africa shall become a united, democratic and non-racial state.

16.2 All its people shall enjoy common and equal citizenship and nationality, regardless of race, colour, sex or creed.

16.3 All its people shall have the right to participate in the government and administration of the country on the basis of a universal suffrage, exercised through one person one vote, under a common voters' roll.

16.4 All shall have the right to form and join any political party of their choice, provided that this is not in furtherance of racism.

16.5 All shall enjoy universally recognised human rights, freedoms and civil liberties, protected under an entrenched Bill of Rights.

16.6 South Africa shall have a new legal system which shall guarantee equality of all before the law.

16.7 South Africa shall have an independent and non-racial judiciary.

16.8 There shall be created an economic order which shall promote and advance the well-being of all South Africans.

16.9 A democratic South Africa shall respect the rights, sovereignty and territorial integrity of all countries and pursue a policy of peace, friendship and mutually beneficial co-operation with all peoples.

17.0 We believe that agreement on the above principles shall constitute the foundation for an internationally acceptable solution which shall enable South Africa to take its rightful place as an equal partner among the African and world community of nations.

## **CLIMATE FOR NEGOTIATIONS**

18.0 Together with the rest of the world, we believe that it is essential, before any negotiations can take place, that the necessary climate for negotiations be created. The apartheid regime has the urgent responsibility to respond positively to this universally acclaimed demand and thus create this climate.

19.0 Accordingly, the present regime should, at the very least:-

19.1 Release all political prisoners and detainees unconditionally and refrain from imposing any restrictions on them;

19.2 Lift all bans and restrictions on all proscribed and restricted organisations and persons;

19.3 Remove all troops from the townships;

19.4 End the state of emergency and repeal all legislation, such as and including the Internal Security Act, designed to circumscribe political activity; and

19.5 Cease all political trials and political executions.

20.0 These measures are necessary to produce the conditions in which free political discussion can take place — an essential condition to ensure that the people themselves participate in the process of remaking their country. The measures listed above should therefore precede negotiations.

## **GUIDELINES TO THE PROCESS OF NEGOTIATION**

21.0 We support the view of the South African liberation movement that upon the creation of this climate, the process of negotiations should commence along the following lines:-

21.1 Discussions should take place between the liberation movement and the South African regime to achieve the suspension of hostilities on both sides by agreeing to a mutually binding ceasefire.

21.2 Negotiations should then proceed to establish the basis for the adoption of a new constitution by agreeing on, among others, the Principles enunciated above.

21.3 Having agreed on these principles, the parties should then negotiate the necessary mechanism for drawing up the new constitution.

21.4 The parties shall define and agree on the role to be played by the international community in ensuring a successful transition to a democratic order.

21.5 The parties shall agree on the formation of an interim government to supervise the process of the drawing up and adoption of a new constitution; govern and administer the country, as well as affect the transition to a democratic order including the holding of elections.

21.6 After the adoption of a new constitution, all armed hostilities will be deemed to have formally terminated.

21.7 For its part, the international community would lift the sanctions that have been imposed against apartheid South Africa.

22.0 The new South Africa shall qualify for membership of the Organisation of African Unity.

## **PROGRAM OF ACTION**

23.0 In pursuance of the objectives stated in this document, the Organisation of African Unity hereby commits itself to:-

23.1 Inform governments and inter-governmental organisations throughout the world, including the Non-Aligned Movement, the United Nations General Assembly, the Security Council, the Commonwealth and others of these perspectives, and solicit their support;

23.2 Mandate the OAU Ad-Hoc Committee on Southern Africa acting as the representative of the OAU and assisted by the Frontline States to remain seized of the issue of a political resolution of the South African question;

23.3 Step up the all-round support for the South African liberation movement and campaign in the rest of the world in pursuance of this objective;

23.4 Intensify the campaign for mandatory and comprehensive sanctions against apartheid South Africa: in this regard, immediately mobilise against the rescheduling of Pretoria's foreign debts; work for the imposition of a mandatory oil embargo and the full observance by all countries of the arms embargo;

23.5 Ensure that the African continent does not relax existing measures for the total isolation of apartheid South Africa;

23.6 Continue to monitor the situation in Namibia and extend all necessary support to SWAPO in its struggle for a genuinely independent Namibia;

23.7 Extend such assistance as the Governments of Angola and Mozambique may request in order to secure peace for their peoples; and

23.8 Render all possible assistance to the Frontline States to enable them to withstand Pretoria's campaign of aggression and destabilisation and enable them to continue to give their all-round support to the people of Namibia and South Africa.

24.0 We appeal to all people of goodwill throughout the world to support this Program of Action as a necessary measure to secure the earliest liquidation of the apartheid system and the transformation of South Africa into a united, democratic and non-racial country.