

SEP (Australia) Second National Congress

Resolution 2: The social counter-revolution in Australia and the political tasks of the Socialist Equality Party

15 May 2014

The following is the second of two resolutions passed unanimously at the Second National Congress of the Socialist Equality Party (Australia) held in Sydney from April 18–21, 2014. The first resolution was posted on May 14.

The social counter-revolution in Australia and the political tasks of the Socialist Equality Party

1. The Australian ruling class is rapidly implementing a social counter-revolution against the working class similar to that which its counterparts in the United States and Europe have already imposed since the eruption of the global financial crisis in 2008. The economic conditions that shielded Australia from the full impact of the systemic breakdown of world capitalism have come to an end.

2. In the immediate aftermath of 2008, China's unprecedented stimulus spending provided the basis for a boom in mineral exports and mining investment, and staved off recession in Australia. That country is now wracked by multiple crises. Economists have described overcapacity in the Chinese steel industry, the main purchaser of Australian iron ore, as "beyond imagination" while debt-stricken companies threaten the collapse of its banking system. Across Asia, economic activity has slowed dramatically as investment falls and exports to the major markets of North America and Europe stagnate. Australia registered growth of just 2.5 percent during 2013, with much of the economy already in slump, unemployment rising and business investment predicted to plummet by 25 percent in 2014.

3. The corporate and financial oligarchy is demanding a historic lowering of working-class living standards. Its agenda, which was initiated by the former Labor governments of Kevin Rudd and Julia Gillard, and which the Liberal National coalition of Prime Minister Tony Abbott has committed to deepening, will provoke ever-broader opposition and, inevitably, major class conflict.

4. The central task of the Socialist Equality Party (SEP) is to prepare for the coming social upheavals by intensifying its turn into the working class. The SEP will fight to develop the understanding among workers and youth that all the political and social issues they face—the danger of war, the destruction of social conditions and the onslaught against democratic rights—are interconnected outcomes of the global crisis of the profit system.

5. The situation at present is characterised by a lag between the objective conditions confronting the working class and its level of political consciousness. While there is growing hostility to the existing social order, it has not yet taken the form of open political struggle. The working class has been left unprepared for the shocks it confronts by the protracted suppression of the class struggle and a concerted political and

ideological campaign that has extended over decades.

6. For over 30 years, the Labor and trade union bureaucracies have blocked or stifled resistance in the working class to the attacks on its social position, creating conditions where, unlike any previous period in the history of Australian capitalism, an entire generation of workers has been prevented from directly participating in the struggle against the profit system. The betrayals and crimes of Stalinism have been exploited by the ruling elite to try to discredit socialism and insist that there is no alternative to capitalism. Various pseudo-left tendencies have compounded the undermining of political consciousness through their promotion of the poisonous fictions of post-modernism, which maintain that the class struggle is a thing of the past and that the working class is no longer a revolutionary class.

7. Even as social conditions sharply deteriorate, the capitalist class, and above all the Labor and union apparatus, continue to preach the myth of "Australian exceptionalism" to stave off any challenge to their rule. For well over a century, they have sought to cultivate the nationalist conception that Australia would never be seriously impacted by world events due to its geographical remoteness, plentiful resources and history. Revolution and socialism have been portrayed as "foreign" doctrines, not applicable to Australian conditions. Such claims were given sustenance after 2008, when economic growth continued amid the global descent into crisis.

8. While powerful forces have created the present problems of political consciousness, the conditions are emerging to overcome them. In fact, the very scope and intensity of the efforts that have been devoted to suppressing the working class—organisationally, politically and ideologically—testify to the explosive character of the social contradictions lying just below the surface.

9. The perspective of the SEP is based on the scientifically-derived understanding that, in the final analysis, social being determines social consciousness. The ongoing global breakdown and its deepening impact on Australian capitalism will lead to the further development of anti-capitalist sentiment and open resistance. It cannot, however, spontaneously resolve the crisis of revolutionary leadership in the working class.

10. The SEP is responsible for doing everything possible, prior to the emergence of mass struggles, to imbue the most advanced sections of the working class and youth with socialist consciousness and win them to the perspective of world socialism. By virtue of its history, principles and program, the SEP alone is capable of forging the revolutionary leadership, and developing the strategy and tactics, required to guide the working class in the struggle for political power, the establishment of a workers' government and the socialist reorganisation of society.

The Abbott government's agenda

11. The Abbott government is preparing a major new offensive against the working class, using budget deficits and rapidly rising public debt, primarily the product of decades of tax cuts for corporations and the wealthy, to assert that there is “no money” for social programs and justify brutal austerity measures. On April 9, the International Monetary Fund demanded that the government slash \$50 billion from annual spending by 2020, recommending permanent cuts to welfare and public sector wages as “the most durable and growth-friendly” means of reducing budget shortfalls.

12. Prime Minister Tony Abbott, Treasurer Joe Hockey and Finance Minister Mathias Cormann exude the hostility of the ruling class toward what remains of the social gains won by the working class in the 20th century. They regard taxes to finance welfare, public health and public education as an unacceptable deduction from corporate profit and an obstacle to attracting transnational investment. In 2012, Hockey declared that the task of government was to bring about “the end of the age of entitlement” by destroying the welfare state. Two years later, his mantra is the guiding principle of the Abbott government.

13. Government commissions and right-wing think tanks are advocating measures ranging from raising the retirement age to 70 or even 75; including the family home in means testing for age-pension eligibility; obligatory upfront payments for medical consultations; slashing pharmaceutical subsidies; cutting family tax benefits; and raising and broadening the regressive Goods and Services consumption tax. Federal and state government-owned assets worth as much as \$140 billion are being lined up for privatisation. Every potential source of profit—from public hospitals and public schools, to the accumulated debt owed by university graduates—is being eyed as fair game by the financial elite.

14. The majority of youth have already been stripped of their right to a decent future. Students complete their university or technical studies burdened with tens of thousands of dollars of debt. In May 2013, for the first time in Australia's history, the number of 15- to 24-year-olds in part-time work exceeded those with full-time positions. Roy Morgan Research estimates unemployment among 18- to 24-year-olds at 28 percent and combined unemployment and underemployment at over 40 percent among young people. One in four 24- to 35-year-olds still lives with their parents due to lack of financial resources.

15. The three-decade assault on the social position of the working class is rapidly accelerating. Corporations have unleashed a wave of job destruction to slash costs and protect their profit margins. Blaming “uncompetitive” Australian wages, as compared with those in Asia and the United States, Ford, General Motors-Holden and Toyota have announced factory closures that will shut down the entire Australian car industry during 2016–17, at the cost of as many as 200,000 jobs.

16. The political and corporate elite is utilising rising unemployment to force workers and young people to accept unprecedented cuts to their wages and working conditions. Maurice Newman, head of Abbott's Business Advisory Council, declared in November 2013: “[W]e cannot hide from the fact that Australian wage rates are very high by international standards... We have long since breached our salary cap, not only by the standards of our low cost regional neighbours, but also our peers.” Newman contrasted the Australian full-time minimum wage of \$32,370 with the American level of just \$15,080, spelling out the corporate perspective for halving workers' incomes.

The role of Labor governments and the trade unions

17. The Labor governments of Bob Hawke and Paul Keating in the 1980s and 90s, and Rudd and Gillard in the 2000s laid the conditions for this social counterrevolution. Together, they held power for 19 of the past 31 years, serving as ruthless instruments for finance capital and big business. In June 2010, Labor figures, later exposed by WikiLeaks as “protected sources” of the US embassy, ousted Rudd in a political coup

and installed Gillard, marking a further qualitative shift to the right. In response to corporate demands for austerity, and Washington's insistence that Australia fully align with its confrontational stance toward China, Labor under Gillard refashioned its policies, committing to deregulation and privatisation, full backing for corporate cost-cutting, guarantees to the financial elite to slash government spending and unconditional support for US militarism.

18. Formed after the August 2010 election, the minority Labor government—the first in 70 years—implemented the most right-wing agenda in the post-war period. It was kept in power by the Greens and so-called Independents, and cut spending as a share of GDP from 26.1 percent in 2009–10 to 24.3 percent in 2012—through public service “efficiency dividend” cutbacks and eligibility restrictions for welfare payments. Under Gillard, Labor entrenched long-term mechanisms to gut public education through NAPLAN (National Assessment Program—Literacy and Numeracy) performance ranking, to privatise university education by instituting a competitive market for students and to slash public health costs through “efficiency pricing” of hospital procedures. It extended the assault on public health through the launch of the National Disability Insurance Scheme (NDIS), which is aimed at privatising disability services and driving 400,000 disabled people off pensions and into the workforce. Behind the backs of the population, it directed the full integration of Australia's armed forces and intelligence apparatus into US war preparations against China.

19. At every point, the trade unions acted as the industrial police force for Gillard's agenda, using Labor's draconian Fair Work Australia industrial legislation to prevent the development of political opposition and suppress workers' struggles. In 2013, when Labor's budget cuts were at their height and moves were being initiated to close the car industry, just 131,000 days were lost to strikes, involving barely 100,000 workers, the second lowest number in Australian history. The lowest level of strike activity occurred in 2007. In the midst of the so-called union campaign against the Howard Liberal-National government's WorkChoices industrial relations legislation, just 47,000 days were lost. The “Your Rights at Work” campaign, which to this day is lauded by pseudo-left organisations as a decisive class mobilisation, consisted of nothing more than promoting the election of a Rudd Labor government. By comparison, in 1974, amid an international upsurge of the working class, 6.3 million days were lost to strikes, involving over two million workers.

20. The unions are not workers' organisations in any sense. Under the impact of globalisation, the unions, grounded on nationalist and pro-capitalist foundations, have been transformed from organisations that once advanced limited reforms in order to contain the class struggle within the framework of the profit system, into corporatist apparatuses committed to achieving “international competitiveness” on behalf of big business. Union officials, raking in salaries between \$100,000 and \$500,000, are now thoroughly integrated into the financial elite through their joint management of industry superannuation funds, valued at over \$320 billion. As a result of the unions' ongoing betrayals, their membership has plunged from close to 57 percent of the workforce in 1982 to just 18 percent—and barely 12 percent in the private sector—in 2014. In addition to 1.3 million lapsed members, seven million workers have never belonged to a trade union.

21. The Greens bear full political responsibility for Gillard's anti-working class policies. In February 2013, Greens leader Christine Milne boasted that her party had “consistently provided stability, integrity and a caring and responsible approach” to the minority Labor government. Speaking for well-off layers of the upper middle class and, increasingly, a section of business seeking to profit from the environmental crisis through “green” investments, enterprises and state-sponsored projects, the Greens actively oppose any struggle against the capitalist profit system, which is the ultimate source of the rapidly

escalating environmental and climate crises. The Greens' collaboration enabled Gillard to impose a regressive carbon tax, which has done nothing to reduce overall emissions, but caused electricity and other energy costs for ordinary working people to soar, while "green" entrepreneurs received hand-outs and prepared to cash in on Australia's planned integration into parasitic carbon-credit trading markets.

22. Workers regard the Labor Party with undisguised hostility and contempt. Having paved the way for Abbott's victory, Labor reinstated Rudd as prime minister on the eve of the September 2013 election to avoid an electoral wipe-out. It nevertheless received its lowest vote in 110 years. By selecting as opposition leader Bill Shorten, one of the main US assets who conspired to carry out the 2010 coup, Labor reaffirmed its commitment to war and austerity. The party is riddled with corruption and has no active membership in the working class. In 2012, senior NSW Labor figure Rodney Cavalier commented in a media interview: "For most of Australia the Labor Party is stone cold dead. There is no Labor Party in the great landmass of Australia. In most country towns, in the suburbs of our cities, there's either no branch... and where there is, the branches are on life support. Most of them would not pass a breath on the mirror test."

The financialisation of Australian capitalism and its consequences

23. The right-wing evolution of the Australian political establishment is the outcome of profound economic and social processes that have given rise to deepening social inequality over the past three decades. Beginning with the Hawke-Keating Labor government's ruthless restructuring and financial deregulation after 1983, the globalisation of production and associated processes of financialisation have transformed the once highly protected Australian economy. Vast areas of manufacturing have been destroyed, while the growth of part-time, casual or contract employment and a continuous reduction in income and corporate taxes have reversed, in the space of a generation, the general trend toward declining social inequality during the post-war decades.

24. Australia is now among the most unequal of the advanced economies, with the top 10 percent of the population taking in 30 percent of all income and controlling 45 percent of all wealth. The number of "high net worth" millionaires, measured by investable wealth, but excluding their primary residence, grew by 15.1 percent to 206,600 individuals in 2013. This tiny section of society—less than 1 percent of the population—held personal wealth of \$625 billion, an average of \$3 million each. The 50 richest Australians are now collectively worth \$US101.9 billion, or \$US2.038 billion each. According to 2010–11 Australian Tax Office data, the top 1 percent of individuals reported incomes in excess of \$281,858 and the top 10 percent over \$105,461. At the other pole of society, the bottom 50 percent reported less than \$48,864, the median taxable income.

25. Contrary to the continuing efforts to portray Australian society as essentially classless, there is now an unprecedented degree of social segregation. The top wealth holders are concentrated in the so-called "global" inner suburbs of the major cities, which are those best serviced by health and education facilities, roads, public transport and telecommunications, cultural, entertainment and sporting venues and other infrastructure. As of 2013, 56 percent of the suburbs in Australia with a median property value of \$1 million or more were to be found in Sydney, clustered around its harbour, business districts and universities. Nearly one in four houses in the city is valued at over \$1 million, compared with 12 percent in Perth, 11 percent in Melbourne, 7 percent in Darwin, less than 5 percent in other major cities and zero percent in the regions.

26. The wealth and incomes of the ruling elite and layers of the privileged upper middle class are now intimately linked with the role of Australian capitalism as an Asia-Pacific hub for speculative and parasitic financial operations. Sydney is among the top 10 global financial centres,

hosting most of the world's largest banks and financial services companies. Melbourne ranks among the top 20. The Australian Securities Exchange (ASX) is the world's 9th largest stock exchange, with a total market capitalisation of \$1.5 trillion. Australian superannuation funds now have \$1.8 trillion under management, and Australian foreign equity assets, primarily due to investments in Wall Street by superannuation funds, have reached \$890 billion.

27. Banking, finance and insurance has burgeoned from 3.6 percent of Australia's Gross Domestic Product in 1985–86, to 8.1 percent in 2002–03, to 10.8 percent in 2012–13. It is now the largest sector of the Australian economy, generating more revenue than mining. The pre-tax profits of the four major Australian-based banks—the Commonwealth, NAB, ANZ and Westpac—increased from 0.7 percent of GDP in 1986 to 2.3 percent in 2012. Their cash profit after tax passed \$27.3 billion in 2012–13, making them the most profitable financial institutions internationally, as a percentage of their assets. On the back of their super-profits, the market capitalisation of the Australian banks has swelled, in the space of a decade, from 2 percent to 14 percent of the entire global banking index.

28. Australia's banking system is among the most concentrated and oligarchic in the world. A December 2012 study commented: "Examination of the top 20 shareholders... shows that, on average, over 53 percent of each big bank is owned by shareholders that are among the top 20 shareholders in *all* the big banks" [emphasis in original]. The three largest shareholders of all four banks are investment houses linked with the British-based HSBC and US-based JP Morgan, and the Australian-based National Nominees.

29. The foreign policy of the Australian government is profoundly shaped by the vast web of relations between American and Australian finance, and the vested interests of the capitalist class in US global hegemony and the rise and rise of Wall Street. The dominant sections of the ruling elite fully support the US "pivot" to Asia, the expansion of US military bases and activities around Australia, and the expenditure of billions of dollars on new military hardware in preparation for war on China. Every war, intervention, provocation and intrigue waged by Washington over the past two decades and more to try and stem its historic economic decline has been backed by Australian imperialism.

30. The insatiable pursuit of wealth by the financial and corporate oligarchy is driving increasingly insistent demands for tax cuts, wage cuts and the destruction of the welfare state. When workers' wages are lowered, the privileged sections of society directly benefit, through increases in the profit margins and stock values of the companies from which they derive their capital gains. It is also why these layers are so deeply antagonistic toward public spending on over-stretched public schools, hospitals, roads and other infrastructure in working-class suburbs and regional cities and towns.

31. In 2012, Joe Hockey invoked Hong Kong, a major rival to Sydney for Asia-Pacific financial services, as the benchmark that had to be matched. "Without a social safety net," he declared, "Hong Kong offers its citizens a top personal income tax rate of 17 percent and corporate tax rates of 16.5 percent"—compared with the Australian rates of 45 percent and 30 percent respectively. Hockey went on to spell out the social implications of his calls for "individual responsibility" to replace what Gina Rinehart, a mining billionaire and reportedly the world's richest woman, recently denounced as the Australian population's "entitlement mentality." The "system" in Hong Kong, Hockey said, was "you work hard, your parents look after the kids, you look after your grandkids and you save as you work for 40 years to fund your retirement."

Social inequality and the offensive against democratic rights

32. The corporate media and entertainment industry, owned by the financial aristocracy and operated by self-satisfied representatives of the upper middle class, still promote the "lucky country" myth. In 2010,

billionaire media magnate Rupert Murdoch described Australia as a “wonderful land of opportunity.” The reality for the working class, even before the impact of Abbott’s austerity drive, is constant insecurity, unprecedented levels of debt and financial stress, and extremes of poverty not witnessed since the 1930s Depression.

33. Over the past three decades, manufacturing, as a percentage of the workforce, has been slashed from close to 20 percent in 1983 to just 9 percent today. Close to 50 percent of workers are now employed in tenuous and generally low-paid, part-time, casual or contract jobs. The OECD estimated that 14 percent of Australians lived in severe poverty in 2013, with incomes of less than 50 percent of the median income, compared with 10.2 percent in 2001 and an average of 11 percent across developed countries. The same report documented that 10 percent of the population face periods where they cannot afford to buy enough food. Every night at least 105,000 people seek out homeless shelters or sleep rough, including some 16,000 children. Eighty percent of households hold less than 40 percent of the wealth, and the poorest 20 percent hold barely 1 percent, with an average net worth of just \$31,205.

34. Millions of ordinary working people have been impoverished by the astronomical rise in housing costs, while the banks rake in historic profits. Sydney house prices soared by another 15.6 percent in the year from March 2013 to March 2014, with median house prices across the city topping \$660,000. The median house price in Melbourne has reached \$550,000 and over \$400,000 in other cities. Two decades ago, median house prices averaged barely four or five times the median income. Now, they are seven to eight times, and 11 to 13 times in Sydney and Melbourne, which rank as the fifth and sixth most expensive cities in the world.

35. In 1990, total household debt was around 50 percent of yearly disposable income. By 2014, the ratio had soared to 177 percent. Banks are pushing 40-year mortgages and “interest-only” loans, turning workers into life-long indentured servants of finance capital. Home ownership among 25- to 34-year-olds plummeted from 61 percent in 1981 to 47 percent in 2011, as young working-class families were pushed out of the property market. Credit card debt has doubled in the last 10 years to more than \$50 billion, with banks and finance companies gouging more than \$6 billion a year in interest from unpaid balances.

36. Even in the poorest suburbs, the annual rent for a house or unit is between \$15,000 and \$20,000, beyond the reach of many working-class families. At least 25 percent of renters and 15 percent of new home buyers are in “housing stress,” paying 30 to 50 percent of their income, and sometimes considerably more, just on rent or a mortgage. State governments have systematically sold off public housing, which was once a safety net for those who could not afford to privately rent, leaving 220,000 people stranded on waiting lists.

37. The sharpest expression of the impact of escalating social inequality is the truly horrifying situation that faces the vast majority of Australia’s 520,000 people of Aboriginal descent. By every social measure—income, employment, education, health, housing, rates of imprisonment and life expectancy—they are the most vulnerable and oppressed section of the working class. The worthlessness of the cynical “apology” made by Kevin Rudd in February 2008 to the “Stolen Generations” for the historic crimes of Australian capitalism against the indigenous population is expressed in the nightmare facing young Aborigines. In remote communities, where few people have jobs and living conditions parallel those in the poorest countries on earth, children as young as 10 are taking their own lives. So great is their sense of despair that Aboriginal youth, both female and male, aged 10 to 24 are four to five times more likely to commit suicide than their non-Aboriginal peers. The suicide rate among Aboriginal youth in Australia’s north is one of the highest in the world, ranging from 30 to more than 80 per 100,000, compared with the national average for 15- to 24-year-olds of 12.5 male suicides per 100,000, and 3.9

female suicides per 100,000. Labor escalated the Howard government’s police-military intervention into Northern Territory townships and camps to strip residents of control of half of their social security payments. The policy of “welfare quarantining,” after being trialled in Aboriginal communities, is now being imposed on non-indigenous welfare recipients.

38. All the social indices of Australian capitalism point to the objective foundations for an eruption of mass struggles that will develop outside the framework of the old parties and organisations, and in a direct rebellion against them. In the course of the vast restructuring of economic and social life, the working class has been politically disenfranchised. None of its aspirations or interests is represented in the establishment political parties, the mass media or mass culture. Any differences between Labor, the Liberal-National coalition, the Greens, and recently formed parties such as the Palmer United Party of mining billionaire Clive Palmer, reflect only conflicts within the most affluent layers of society over the allocation of wealth.

39. The alienation of the working class from the existing political structures is manifested in the unprecedented decay of the two-party parliamentary system. Each election results in ever-greater volatility and instability. A multitude of single-issue protest parties has been formed, reflecting the array of social grievances among the population. Various right-wing formations contested the 2013 election on the basis of anti-immigrant chauvinism and nationalist demagoguery. While none won broad support, their emergence is a warning that unless the working class advances its own solution to the economic and social crisis, right-wing forces will seek to fill the political vacuum.

40. The levels of social inequality that now exist are incompatible with bourgeois democracy and democratic rights. Over the past several years, the entire political establishment has collaborated in erecting the scaffolding of a police-state, to prepare for authoritarian forms of rule. The vast array of anti-democratic laws enacted since 2001, under the guise of the bogus “war on terrorism,” has been reinforced in recent years by a massive expansion in police powers, numbers and paramilitary hardware, using the pretext of combatting crime syndicates, biker gangs and “anti-social behaviour.” The former Gillard Labor government was at the forefront of the international persecution of WikiLeaks editor Julian Assange, denying any assistance to the Australian citizen, who remains holed up in the Ecuadorian embassy in London, threatened with terrorism charges by the Obama administration for publishing evidence of US war crimes and diplomatic intrigues. Abbott’s Foreign Minister Julie Bishop has likewise denounced National Security Agency whistleblower Edward Snowden as a “criminal” for exposing the rampant spying carried out by US and Australian intelligence agencies against the world’s population, including the wholesale monitoring of the communications of Australian citizens. The Abbott government’s endorsement of the US drone assassination of two Australian citizens in Yemen in November 2013—men who had not been charged with a crime, let alone provided with a trial—and the silent acquiescence of the entire political and media establishment, testifies to the repudiation of any commitment to democratic principles within the Australian ruling elite.

41. The Abbott government, backed by corporate Australia, is devoting immense resources to containing social antagonisms by promoting Australian nationalism and patriotism and the glorification of the military. The commemorations of World War I planned for the next four years will take this campaign to grotesque heights. At the same time, military call-out legislation is in place, enabling the government to deploy the armed forces domestically, with sweeping powers in designated zones, including arrest, interrogation and shoot-to-kill. Through the combined efforts of the political and media establishment, the population is being conditioned to accept as normal the involvement of armed forces in civilian affairs, including the deployment of the army during natural disasters, and the navy in the government’s ruthless “border protection”

operations against refugees.

42. The dangers to democratic rights are starkly posed by the institutionalised persecution of refugees. The Australian government denies refugees their right to apply for asylum and transports them to the remote Pacific islands of Nauru and Manus Island for indefinite imprisonment, followed by settlement in impoverished states such as Papua New Guinea and, potentially, Cambodia. For more than 12 years, it has used the regime of “border protection” to whip up xenophobia and racism and channel growing social frustrations into disorientated hostility towards the world’s most vulnerable people. The military, police, judiciary, public service and a network of private security contractors enforce daily and flagrant violations of civil liberties and international law. A state apparatus that is prepared to treat refugees with such brutality and criminality will use similar methods to suppress political opposition in the working class.

The class role of the pseudo-left

43. Under conditions of mass alienation from its chief political props, the Labor Party and trade unions, the ruling class is becoming increasingly dependent on the political services of various “pseudo-left” parties and tendencies to block any independent struggle by the working class. These organisations work assiduously to promote the nostrums of Australian exceptionalism, and to blind the working class to the crisis it confronts.

44. According to Allen Myers, a leading “theoretician” of Socialist Alternative, the working class does not face a crisis in any way comparable to the breakdown that began with the eruption of World War I in 1914. On the contrary, he asserts it can continue to advance its position by pressing for national reforms. “Revolutionaries in Australia today,” he wrote in early 2013, “need to relate to a situation in which modest working-class demands do not threaten the existence of capitalism.” Another member of Socialist Alternative, Daniel Lopez, wrote: “The Australian economy—almost uniquely in the Western world—has been expanding for years... To imagine that in this context that [sic] the ruling class is not capable of granting concessions is downright bizarre. In the depths of crisis-stricken Spain or Greece, perhaps... but not here.”

45. Socialist Alternative, Socialist Alliance and the other pseudo-left organisations are not socialist, but a tendency within imperialist bourgeois politics. Their origins lie in political currents that rejected scientific socialism, the revolutionary role of the working class, and the struggle of the world Trotskyist movement against Stalinism and national opportunism during the 1940s and 1950s.

46. The politics of the pseudo-left express the class interests of sections of the upper middle class. They specialise in promoting identity politics to cut across and suppress the development of class consciousness within the working class, and to advance the selfish interests of the social milieu for which they speak. While the conditions of the working class have suffered a three-decade reversal, these layers have leveraged issues such as feminism, Aboriginal nationalism, multiculturalism and gay rights to gain highly-paid positions within various levels of government, business, the public service, the trade unions, academia, the entertainment industry and the media. Whatever their grievances with the most powerful sections of the financial and corporate elite, which are largely based on envy, they are deeply opposed to any independent movement of the working class that threatens to challenge the political relations upon which their privileged social status is based.

47. The utilisation of identity politics to support the minority Gillard Labor government demonstrated its profoundly anti-working class character. Prominent feminist commentators hailed the installation of Australia’s first female prime minister in an anti-democratic coup as a major step forward for women. The role of identity politics was further underscored in December 2011, when, just weeks after Gillard had aligned Australia with Washington’s aggressive pivot against China,

Socialist Alternative and Socialist Alliance organised demonstrations at Labor’s national conference, demanding that it support gay marriage legislation. They raised not a word about Labor’s role in the preparations for war. An entire coterie of middle-class feminists subsequently attempted to brand any political opposition to Gillard’s government as an expression of sexism, especially after Gillard’s October 2012 parliamentary tirade against Tony Abbott, when she accused him of misogyny. Once again, they were silent on the issues facing the working class: on this occasion, Labor’s slashing of single-parent payments, which cut the already poverty-level incomes of thousands of single mothers by more than \$100 per week. The identity politics industry backed Gillard Labor not in spite of its agenda of austerity and militarism, but because of it. They, like the rest of the upper middle class, have directly benefited from the financial operations behind the rise of property and share values, and the resultant impoverishment of large sections of the working class.

48. Socialist Alternative and Socialist Alliance, along with the Greens, Get-Up! and publications such as *New Matilda*, the *Monthly*, *Quarterly Essay* and *Saturday Paper*, promote “anti-Abbott” campaigns aimed at subordinating workers and young people to Labor and the Greens, by convincing them that these parties represent a “lesser evil.” In March, Socialist Alternative called for a “generalised fight-back” against the Abbott government and declared “the only force capable of making this happen is the trade unions.” It called for the building of “a serious socialist organisation” that was “embedded in the trade unions and on the university campuses.” In all their activities, the pseudo-left seek to tie the working class to the very bureaucratic apparatuses and nationalist conceptions that are responsible for the current political impasse and social devastation.

49. Another variant of their insistence on the continued viability of national reformism in Australia is the call by Socialist Alliance (SA) for the “nationalisation” of the banks, mines and car industry within the framework of capitalism. SA claims that, with enough pressure from below, a “left” capitalist government could carry out a redistribution of wealth within the borders of Australia. Making this explicit during the 2013 elections, Socialist Alliance declared: “Nationalisation of the mines, even while capitalist economic relations exist elsewhere in the economy, would make possible immediate improvements in environmental sustainability, social justice and democratic reform.”

50. Socialist Alliance describes its slogans as part of a “transitional method.” In reality they have nothing in common with transitional demands as conceived by the Marxist movement, which are developed to establish a bridge between the present consciousness of the working class and the revolutionary tasks that it objectively confronts, in Australia and around the world. Transitional demands, as elaborated by Leon Trotsky in the founding program of the Fourth International, are raised to develop the independent mobilisation of the working class against its old leaderships in the struggle for political power and the overthrow of capitalism.

51. At the same time, conscious of the mass alienation within the working class from Labor and the Greens, Socialist Alternative, Socialist Alliance and other pseudo-left groupings are waiting in the wings to join any new parliamentary formation that postures as “left” and “anti-capitalist.” Their model is SYRIZA (the Coalition of the Radical Left) in Greece, which has played the key role in preventing mass hostility within the working class towards austerity from assuming the form of a political struggle for socialism.

The political tasks of the SEP

52. The vast political gulf between the International Committee of the Fourth International (ICFI) and its sections and every other political tendency is a product of both the underlying class polarisation generated by the crisis of capitalism and the protracted struggle for Marxism against opportunism waged by the ICFI since its founding more than 60 years

ago. In the split with the renegades of the Workers Revolutionary Party (WRP) in 1985–86, the genuine Trotskyists decisively demarcated the ICFI from all forms of petty-bourgeois nationalism that had masqueraded as revolutionary Marxism in the post-war period. The split paved the way for an unprecedented development of international collaboration within the Fourth International and for the flowering of Marxism on every front—political, theoretical and cultural. These political achievements were expressed in the launching of the *World Socialist Web Site* in 1998, which has established itself as the authoritative voice of international socialism.

53. A critical component of the ICFI's work has been the political and theoretical struggle against the post-Soviet School of Historical Falsification, which has sought to bury the significance of the Russian Revolution, and especially of Leon Trotsky, under a mountain of lies. The ICFI's offensive, which began shortly after the collapse of the Soviet Union, has been deepened through the detailed refutations by David North, Chairman of the WSWI International Editorial Board, of the falsifications contained in the biographies of Leon Trotsky by British historians Ian Thatcher, Geoffrey Swain and Robert Service. This project has underscored the fact that the turn to the working class is a historical and theoretical, as well as a political and practical task.

54. The most advanced layers of workers and youth must be politically prepared for the challenges that lie ahead through a systematic education in the lessons of the strategic experiences of the 20th century. Through a study of the history and principles of the world Trotskyist movement, they must assimilate the world-historic significance and contemporary relevance of the Russian Revolution, led by Lenin and Trotsky, and of the role played by Stalinism in its degeneration and ultimate demise. They must gain an understanding of the role of Stalinism, Laborism and the trade unions, and other national opportunist tendencies, in the betrayals and defeats of past revolutionary struggles.

55. The SEP will conduct this political education alongside the fight to mobilise the working class around transitional demands that direct its struggles, on the basis of a revolutionary socialist perspective, against the old bureaucratic apparatuses and the profit system that they defend. War, dictatorship and social counter-revolution cannot be prevented by pressuring the ruling elites or appealing to them for reason. Capitalism will either be overthrown by the working class, or it will drag humanity into the abyss. The development of a mass, international, anti-war movement among workers and youth, fighting to unify their struggles around the perspective of world socialist revolution, becomes a life-and-death question.

56. The SEP advocates, against the pro-capitalist trade unions, the establishment of independent rank-and-file committees in factories and workplaces, which will fight to unite workers in a common struggle across the country and internationally against the assault on jobs and living standards. In the working-class suburbs, it advocates the formation of action committees to defend housing, health care, public education and social services. Such independent organisations of working-class struggle can only be sustained, however, if their leadership is clear on the hostile class interests represented by Labor, the trade unions and the pseudo-left tendencies—in other words, if their leadership consists of workers who are oriented towards the revolutionary program and perspective of the SEP.

57. Among students and youth, the SEP will fight to build the International Youth and Students for Social Equality (IYSSE), which strives to educate young people in the great principles and history of the Trotskyist movement and to turn them toward the political mobilisation of the working class. The IYSSE will lead the opposition of young people to the glorification of World War I and the promotion of militarism and nationalism. It will fight all attempts by university administrations to undermine students' democratic rights by stifling campus political clubs and curtailing student involvement in political discussion and activities. The IYSSE will continue to deepen its struggle against the reactionary

nostrums of post-modernism and identity politics on the campuses. Preoccupation with issues of personal identity is aimed at elevating individual interests above class issues and blocking students from turning toward the working class.

58. The SEP proceeds in all its work with historically and scientifically-grounded confidence in the revolutionary role of the working class. The breakdown of capitalism, the product of the inherent contradictions between the integrated world economy and competing nation states, and between the socialised character of production and the subordination of the productive forces to the accumulation of private profit, will provoke revolutionary struggles in Australia, as in every part of the world.

59. The overriding responsibility of the Socialist Equality Party is to win the most advanced sections of workers and youth to its ranks. Recruitment into the party and the ongoing training and education of Marxist cadre is the essential political preparation for the revolutionary challenges ahead.

To contact the WSWI and the
Socialist Equality Party visit:

<http://www.wswi.org>