

# Front Line

7

Magazine of the International Socialists

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**PERSPECTIVES  
FOR  
WOMENS'  
LIBERATION**

**People's Economic Programme  
Underconsumptionism  
Post-War Boom  
Eurocommunism:**



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**3**

Why is there an economic crisis? To answer that question, we need first to identify the nature of the long economic boom which preceded it. That is an issue about which Marxists are far from agreed. Andrew Milner surveys several analyses of the postwar boom, including that developed by the British International Socialists (now SWP). He concludes that the I.S. theory, based on a study of the permanent arms economy, had many weaknesses, but that it is the best available theory nonetheless.

The Postwar Boom, whence it came — where it went.

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**7**

The women's movement is looking for a new direction. Is it possible to unite all women? Or must the women's movement take a class position, and view women's liberation as part of the class struggle for socialism? And what, then, about the special importance of women's issues? Janey Stone argues the vital importance of a working women's movement both for women's liberation and socialist revolution.

Perspectives for Women's Liberation.

---

**12**

How shall the Left respond to the crisis? Understandably, Australia socialists are closely studying what is done overseas. For the Communist Party, the "Eurocommunist" strategies pursued by the CPs in Europe is of great importance. A brilliant new strategy, or a new form of reformism? We believe David Lockwood has decisively proved that it is the latter.

Eurocommunism — Old Garbage in New Pails.

---

**18**

Can we spend our way out of the recession by boosting the government deficit? Can the economy be fixed short of revolution, as the Labor left would like to think? Marxists have always rejected this view, as our reprint from the 40's shows.

Consumptive Theory — the theory of underconsumptionists.

---

**22**

Is Australia becoming a giant quarry? Is a conspiracy on the part of multinational companies responsible for the recession? In a review article, Tom O'Lincoln looks at the pamphlet *Australia Uprooted* and at one important left critique.

Review — *Australia Uprooted* and *The Peoples Economic Program* — A Trap for the Left.

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# The Post-War Boom

## Whence it came ~ Where it went

ANDY MILNER

Capitalism is in a genuine crisis.

Today it is no longer easy for conservatives to dismiss as "irrelevant" and "outdated" Marx's theory of capitalist crisis. They are themselves too busy trying to develop theories to explain the end of the postwar economic stability. It looks very much as if we Marxists were right all along: sooner or later, capitalism does end up in crisis — sooner or later, the vicious cycle of boom and slump reasserts itself.

But why is capitalism inevitably subjected to these periodic economic convulsions? And if the convulsions are inevitable, why was the present crisis so late in coming? Why was there that long economic boom in the years following the Second World War?

The two problems, explaining the long boom and explaining the crisis of the past few years, are closely linked. The origins of this new recession must involve the removal or breakdown of whatever factors were responsible for the previous economic stability.



## THE FAILURES OF TRADITIONAL THEORY

Marx's own theory of capitalist development stated that capitalism was bound to experience repeated crises. Competition between capitalists would result in mechanisation, in a progressive substitution of capital for labour within the production process: in Marx's terms, in a rising organic composition of capital. Given that the rate of surplus value — that is, the rate at which labour is exploited — can't be increased indefinitely, this in turn would lead to a fall in the rate of profit.

Given such a fall, a crisis of profitability and over-production is unavoidable. The only solution to the crisis is the recession itself, in which value is destroyed, the organic composition of capital lowered, and the rate of profit therefore increased. Then the whole process begins anew, and the economy booms its way toward the next slump. (1)

That was Marx's theory, and a very impressive theory it was. Indeed, the pattern which Marx predicted is empirically verifiable right through until the Second World War.

But the war was followed by an extended boom which has only recently broken. The problem for Marxists was obviously to make sense of this development — to explain the new realities of the post-war world.

Unfortunately, the 1950's were not the best years for Marxist theory. The various Communist Parties were still thoroughly "stalinised." Most of their "theorists", whose behaviour normally bore the stamp of frontal lobotomy rather than of critical thinking, made their reputations through the routine repetition of the papal encyclicals from Moscow. In Eastern Europe itself (and in China too) the reality of the post-war boom in the west was simply denied.

The Western Communist Parties were, of course, hardly in a position to deny its existence; rather they chose to ignore it. And so the official Communist movement proved incapable of producing any account whatsoever of the new economic reality: sustained boom, unprecedented working class affluence, and an extended period of relative class harmony.

The Trotskyists proved equally incapable of accepting that the world had changed. Most of them stuck to their guns and issued forth with regular predictions of imminent

economic crisis every time the unemployment figures showed the slightest increase. As late as 1962, the leading theoretician of the largest of the many "Fourth Internationals" felt perfectly able to produce 20 volume economic theory which avoided all discussion of the nature of the post-war boom. (2)

If both official and unofficial communists were incapable of analysing the postwar economy, there were others who felt perfectly adequate to the tasks. These were liberals and social democrats who saw in theories of John Maynard Keynes the means for establishing a stabilised, integrated, welfare capitalism forever immune to the disease of communism.

For them, the boom was unproblematic. Following Keynes, they believed that governments could prevent slumps ever again occurring through the simple device of pumping money into the economy whenever an economic downturn seemed likely. (3) And that was all there was to it. Capitalism's problems were solved for once and all.

They were wrong. Keynes had mistakenly located the source of crisis in the sphere of consumption, rather than in that of production, and his economic remedies were therefore correspondingly inappropriate. Indeed, it should be obvious that "Keynesianism" wasn't the cause of the boom. Whenever Keynesian policies were deliberately applied by governments in the 1950's and 1960's they were directed not toward fuelling the boom, but rather towards dampening it down. Common logic tells us, therefore, that those policies cannot possibly have been responsible for the boom. (4)

But however false the theory, it nonetheless provided the new "liberal establishment" with a powerful myth to be flung into the argument against Marxism.

## THE PERMANENT ARMS ECONOMY THESIS

We've seen that the 1950's were characterised by a coincidence of theoretical bankruptcy on the left and a surprising theoretical resilience on the right. It was in these circumstances that the International Socialist tendency began to develop the theory of the permanent arms economy. The argument runs as follows.

In Marx's own theory of crisis,

capitalism is conceived of as a closed system, a system in which all output flows back into the system as input, either in the form of investment goods (Marx's Department I), or in that of wage goods (Department II). (5) However, the theoretical possibility remains that certain forms of output, for example, capitalist personal consumption, may constitute a "leak" — a Department III which draws value off from the system of production without pumping any equivalent value into the system.

If any such Department III goods were produced on the basis of a capital-intensive technology, their production would have the effect of slowing down the rate of increase of the organic composition of capital. And if that were the case, the tendency of the general rate of profit to fall would be correspondingly offset.

In the view of writers such as Michael Kidron, arms production was precisely a form of production which met each of these conditions. And the massively important role of arms expenditure in the post-war economy is simply self-evident. There was the answer. The world capitalist economic system had indeed been stabilised, — but that stability derived not from the enlightenment of Keynes, but rather from the insanity of the nuclear stockpile.

Here we have an alternative explanation of the boom to that advanced by the Keynesians. In itself this is no mean achievement. But there was more to it than that. Kidron and his collaborators were also able to analyse the contradictions within the arms economy. Unlike the Keynesians they predicted not a permanent boom, but rather a sustained period of boom, to be succeeded by a return to the old necessary cycle.

The sources of this ultimate destabilisation were found in the unequal distribution of arms expenditure between different national economies. Non-arms producing economies such as Japan, Western Germany, Italy and Australia benefited from the international stabilisation produced by American and British arms expenditure. But precisely their role as non-arms-producers allowed them to out-compete the arms-producing countries.

Sooner or later, this was bound to result in a corresponding pressure on the arms-producers to cut arms expenditure. And once that pressure became effective, the organic composition of capital would once

more begin to increase, and the general rate of profit would begin to fall. The end result would be a return to the cycle of boom and slump which Marx had characterised as integral to the normal functioning of the system. (7). And so it has proved to be.

## SOME ALTERNATIVES CONSIDERED.

The theoretical vacuum within which our theories were originally formulated could not last forever. In the wake of "de-stalinisation" within the Communist Parties, and the rise of the "New Left" outside them, Marxist theory regained some of its earlier vitality. And as boom gave way to slump in the early 1970's, theory gained a practical stimulus.

There arose alternative explanations of both the boom and the recession, and in particular the latter. Let us consider two of the theories.

The first, developed by two English economists, Andrew Glyn and Bob Sutcliffe, offers an account of the recent crisis as it effects the British economy. But presumably it is, at least implicitly, relevant to other national economies. Glyn and Sutcliffe trace the origins of the present crisis, as we do, to a fall in the general profit rate. But they locate the cause not in an increasing organic composition of capital, but rather in a decline in the rate of surplus value — that is, roughly, the ratio of profits to wages.

They argue that it is the "economistic" trade union militancy of the post-war working class which has brought about this decrease in the rate of exploitation. (8) Logically, this argument runs parallel to that advanced by Fraser and Bjelke-Petersen, in that it sees trade union militancy as the cause of the crisis. It differs only in evaluating this process as desirable rather than a desirable.

That apart, there are a number of weaknesses in the theory. In the first place, it stands in clear contradiction to the classical Marxist theory of crisis. In itself, of course, there is nothing particularly wrong with that. Only churches have heretics. But if Marx's theory is no longer valid, then surely Glyn and Sutcliffe are under an obligation both to identify and explain the precise nature of its failings. This they do not do.

Secondly their theory suffers from a form of voluntarism: they see the crisis as the product of a voluntary

act of militancy on the part of the working class, rather than as a consequence of the structure of capitalism itself. And finally, their empirical evidence remains open to question. Their analysis ignores changes in the productivity of labour during the post-war period. As David Yaffe has shown, the phenomenal increases in productivity during that period actually indicate a rise in the rate of surplus value. (9).

The second alternative is that developed by Ernest Mandel, the theory of the 'third technological revolution'. Mandel argues that a whole series of technological innovations were stored up during the 1920s and 30s and that these innovations subsequently fuelled the post-war boom. (10) The present recession arises as a consequence of the petering out of effects of this wave of technological innovation, but it is further exacerbated by the nature of the international credit system, which is so subject to inter-imperialist rivalry that the only way out of the recession, through credit expansion, becomes effectively closed off.

The central weakness of Mandel's approach resides in his contradictory notion of technological innovations as, at various times, both a determined and a determining variable. If the technological innovations of the 20s and 30s forced the boom in the 50s and 60s, why did they fail to have a similar effect during the inter-war period itself? Presumably, technological innovation either is or is not a determining factor; it cannot play this role only *sometimes*. (11) Indeed, it is quite possible that things work in precisely the opposite direction to that which Mandel suggests: high employment levels during periods of boom actually stimulate technological innovation (precisely because such innovation is labour-saving) rather than the other way round. (12)

## Time For Reflection

In terms of the sophistication of much recent Marxist theory, the permanent arms economy thesis is, as Michael Kidron himself has recently admitted, an "insight" rather than a 'theory'. (13) In itself this is not surprising. The intellectual context within which the thesis was originally formulated was very different indeed

to that of today — when most Marxists give at least a passing nod in the direction of 'Althusserian rigour'. It was a context circumscribed by both Stalinist and Trotskyist notions of theory as the process by which one rifles through the 'sacred texts' in search of a relevant quote. Today, there is a greater sensitivity to some of the wider implications of the processes by which knowledge is produced. (14) And this new intellectual context demands some rethinking of our earlier theoretical positions. (15)

But Kidron's own critique of the earlier thesis results merely in yet another one, rather than in any attempt at theoretical renewal. For in Kidron's view the permanent arms economy thesis was incorrect, and it was so because it rested upon the assumption of the continued existence of private capitalism. Apparently, Kidron no longer conceives of the western economy in these terms. Rather, he expands the concept of state capitalism to include not only the Eastern bloc and China, but also Western capitalism itself. In his view, the tendency towards integration of capitalist firms into the nation state has reached such a stage that we can conceive of the world economy as simply a form of national state capitals.

If this is the case, the permanent arms economy thesis is no longer tenable. According to Kidron, the notion of a "Department III" rests upon the assumption of a separation between, on the one hand, a productive capitalist sector and, on the other, an unproductive, non-capitalist waste sector. But in an integrated state capitalist economy no such separation exists. The productive sector and the waste sector are merely different aspects of the state capital. Such a system has no 'leaks', and therefore whatever stability it may possess cannot be attributed to leakages. (16)

There are a number of major objections to Kidron's argument. His view of the western capitalist system as essentially state capitalist is highly suspect. Certainly the process of 'statisation' has occurred in the West. But nonetheless, each national economy still contains within itself distinct and separate capitalist interests which compete with each other, and which often come into conflict with each other. Furthermore, the increasing importance of multinational corporations within the world economy has resulted in a certain weakening of the links which bind particular capitals to their respective nation states. (17) This latter tendency

## POST-WAR BOOM

clearly runs counter to the whole drift of Kidron's analysis.

By calling the western economies "state capitalist" Kidron obscures important differences, for both theory and practice, between East and West. At the level of theory, he too readily condemns to obsolescence much of Marx's analysis. For example, the separation between the state and "civil society". This separation, which occurs only partially and at rare intervals in pre-capitalist societies, permits phenomena such as bonapartism and bourgeois democracy.

It is the absence of such a separation in the USSR which undermines Trotsky's theory of a "degenerated workers' state". And it is the presence of the separation in the west which allows for free trade unions, opposition parties, relatively free elections, and legal socialist organisation.

Kidron is at least logically consistent. Having removed the distinction between state and private capitalism, he proceeds to argue that western trade unions simply serve the ruling class by integrating the worker into the system, just as the "unions" do in the east. (18)

Logical this may be, but correct it is not. At one stroke, it condemns our entire industrial effort to irrelevance, and its hair-raising abtractness is bewildering. Was the NSW BLF under Mumford's leadership simply a tool of capitalism? (20)

Finally, Kidron leaves us with no alternative explanation of the post war boom or the recession which followed. In his reply, Chris Harman rightly observes that Kidron renders both boom and slump "fortuitous" and "miraculous". (21)

One cannot help but agree with Harman: better a valid insight than a wrong theory. The permanent arms economy thesis is in need of re-thinking. But it remains the best theory we have got, better than the Glyn-Sutcliffe thesis, better than the Trotskyists' belated attempt at an explanation of the post-war economy. And better, too, than Kidron's Orwellian vision of a world of state capitalists.

organic composition of the total capital. The immediate result of this is that the rate of surplus-value, at the same, or even a rising, degree of labour exploitation, is represented by a continually falling general rate of profit. ("Karl Marx, Capital, Volumes I and II, London, 1974, Lawrence and Wishart. The argument is clarified by mathematical presentation in C.V. pp. 212-213). The argument is clarified by mathematical presentation. Capitalist production can be represented by the formula C+V+S, where C is constant capital, that part of capital converted into machines, V is variable capital, that part of capital converted into wages, and S is surplus value. The organic composition of capital is expressed as  $\frac{C+V}{S}$ , or more simply C. The rate of profit is  $\frac{S}{C+V}$ , written as  $\frac{S}{C}$ , and the rate of profit as  $\frac{S}{C+V}$ .

C tends to increase continuously, whilst S only fluctuates within certain limits (and can, in effect, be assumed as a constant), therefore  $\frac{S}{C}$  must tend to fall.

2. Ernest Mandel's Marxist Economic Theory, Merlin Press, London, 1968, was originally published, in French, in 1962.

3. For Keynes himself, see J.M. Keynes, The General Theory of Employment, Interest and Money, MacMillan, London, 1967. For a popular account, see M. Stewart, Keynes and After, Penguin, Ringwood, 1967.

4. Michael Kidron makes this point in his Western Capitalism Since the War, Penguin, Ringwood, 1970, Ch. 1.

5. Marx, Capital, Lawrence and Wishart, London, 1970, Volume II, Ch. XX and XXI.

6. This account is based on Kidron's Western Capitalism Since the War, Ch. 3, his essay "Maoist Marxism: Mandel's Economics" in International Socialism No. 36, April/May 1969 (subsequently reprinted as Ch. 4 of Capitalism and Theory, Pluto Press, London, 1974), and Chris Harman's "The Inconsistencies of Ernest Mandel", International Socialism No. 41, Dec/Jan 1969. The earliest published accounts are to be found in Tony Cliff's "Perspectives of the Permanent War Economy", Socialist Review, May 1967, and Kidron's "Reform and Revolution", International Socialism No. 7 Winter 1961. Marx himself clearly views capitalist personal consumption as part of Capitalism II (Capitalism II, p. 399). Kidron's revision of Marx derives from P. Sraffa, The Production of Commodities by Means of Commodities, Cambridge University Press, 1960.

7. See Western Capitalism Since the War Ch. 3, Cliff's The Crisis, Pluto Press, London, 1975, Ch. 3, and John Ure's Capitalism Since 1954", International Socialism No. 85 Jan 1976.

8. The argument was first advanced in A. Glyn and B. Sutcliffe, "The Critical Condition of British Capital", New Left Review No. 66 March/April 1971. It is elaborated at greater length in the same authors' British Capitalism, Workers and the Profit Squeeze, Penguin, Harmondsworth, 1972.

9. D. Vafe, "The Crisis of Profitability: a Critique of the Glyn-Sutcliffe Thesis", New Left Review No. 80 July/Aug 1973.

10. This account is based on Ernest Mandel's The Inconsistencies of State Capitalism, IMG, London, his Introduction to Marxist Economic Theory, Merlin Press, New York, 1969, Ch. II, and his Late Capitalism, NLB, London, 1975, Ch. 6, 8, and 14. Mandel also, quite correctly, identifies the importance of the fascist

interlude in creating a basis for post-war expansion: "we have singled out two decisive factors which, in our view, explain the 'long wave' with an undertone of expansion" which lasted from 1940(45) - 66. In the first place, the historical decline of the working class enabled fascism and war to raise the rate of surplus-value. In the second place, the result of the increase in the accumulation of capital . . . together with an accelerated rhythm of technological innovation and a reduced turnover-time of the fixed capital, led to the third technological revolution, to a long-term expansion of the market for the extended reproduction of capital on an international scale" (Late Capitalism p. 442).

11. This point is made by Harman in "The Inconsistencies of Ernest Mandel".  
12. See Kidron, Western Capitalism Since the War, Ch. 2.  
13. Michael Kidron, "Two insights don't make a theory" International Socialism No. 100 July 1977.

14. This is not to suggest any uncritical acceptance of Althusserianism. The omission from Althusser's work of any notion of unity of theory and practice easily leads to the kind of apolitical 'theoreticist' Marxism so beloved of academia. Rigour often fails on the appearance of rigor mortis. For a critique of Althusser's apolitical 'dogmatic Stalinism' see Alex Callinicos' Althusser's Marxism, Pluto Press, London, 1976, Ch. 4 and 'Conclusion'.

15. What kind of rethinking? Certainly something is necessary. As Kidron notes: "a couple of articles in IS, one of which is repeated as a chapter in a book, a few further passing observations in other articles, some of which were collected in another book, and that's all. Not much for an analysis that was meant to encompass the world order and explain its innermost drives". "Two insights don't make a theory" p. 7. In general, our approach was too crudely empiricist. We were so impressed by the clear correlation between arms expenditure (as a percentage of total world output) and the level of economic activity, that we paid insufficient attention to the problem of developing the theory itself. Nowhere did we develop a theoretical account of our data, to give an answer to Bortkiewicz. The consequence is a certain theoretical confusion. Thus, for example, while Kidron likens arms expenditure to capitalist personal consumption, Harman has more pertinently compared it to money and commodity-capital (Chris Harman, "Better a valid insight than a wrong theory" International Socialism No. 100 July 1977, p. 11). The shift is neither explained nor even noted.

16. Kidron, "Two insights don't make a theory" p. 8.

17. Harman, "Better a valid insight than a wrong theory", p. 10.

18. See Marx's "On the Jewish Question", in Early Writings, Penguin, Ringwood, 1975, pp. 212-241.

19. Kidron, "Two insights don't make a theory", p. 6.

20. Of course, unions do play an "incorporative" role. But there is more to it than that. Unions are, at one and the same time, both instruments for the incorporation of the working class into the system and embodiments of working class revolt against that system. For an excellent account of the role of trade unions in mass capitalism, see Richard Hyman's Marxism and the Sociology of Trade Unionism, Pluto Press, London, 1971.

21. Harman, "Better a valid insight than a wrong theory", p. 12.



# PERSPECTIVES FOR WOMENS' LIBERATION

JANEY STONE

The Women's Liberation Movement is in crisis. No one who is active in the movement today will deny it. Some trace the cause to such superficialities as Spartacist disruption. But most feel a much more profound confusion and disorientation.

The problems in the movement can't be understood simply by making references to "sectarianism" or the lack of enough "sisterhood". The problems in the movement don't originate from within it. The movement's ups and downs can only be understood in relation to the society in which it exists.

It is no coincidence that the present crisis in the movement occurs during a period of general social and economic crisis. The movement started in a period of economic boom, when the percentage of women in the work force — particularly married women — had increased rapidly. This growth in the female workforce was one of the reasons the movement began. For a time the movement flourished, particularly under the Labor government, when a lot of money was made available to projects such as refuges and health centres.

When the political climate changed, the women's liberation movement found itself unable to respond.

It's not that women as a group are unaffected by the crisis. Many of the gains of the WLM are now being attacked — grants to women's centres, leave and cutting back on maternity leave. Unemployment is hitting women more than men. And yet the WLM, which claims to promote the interests of all women, is paralysed. Instead of mobilising against these attacks, it has turned inward to engage in petty squabbles, sectarian bickering and red-baiting.

The problem is that a widely held view in our movement — the view which regards all women as a homogene-

ous group — makes it impossible to understand the deepening social crisis. Society is more and more polarising between the two main social classes, the capitalist and working class. And there are women on both sides.

The only way forward for our movement is to side with the working class. That demands a re-orientation toward women workers. This article discusses some past working women's movements, and attempts to put forward the beginnings of a new strategy for our movement.

## EXPLOITATION AND OPPRESSION

It's very common in the women's movement to treat the situation of the woman worker as simply an extension of her main role in the family. Of course it is well known how the female role is used to push women into low paid "women's work". Employers rely on "feminine" passivity to ensure that women don't fight back. At every point — getting a job, the type of work, the pay and the "extras" expected — women workers are never allowed to forget they are "mere women."

But women workers aren't just women who happen to get paid directly for working (as opposed to unpaid housewives). Nor must we fall into the opposite trap — thinking of them as workers who happen to have a vagina. It is essential to understand the specific inter-relationship between the woman workers' oppression as a woman and her exploitation as a worker.

For women workers exploitation and oppression interact in such a way that it is frequently not possible to say which is predominant.

When employers channel women into lowpaid "women's work" it is not simple prejudice. At every point there is a tangible benefit for the employer. The result is super-exploitation: an intensification of the exploitation all workers experience. But it was the female role which made this super-exploitation possible.

For just this reason, any struggle by women against

Footnotes:  
1. "This mode of production produces a progressive relative decrease of the variable capital as compared to the constant capital, and consequently a continuously rising

exploitation tends naturally to broaden into a struggle against women's oppression. At the same time, a struggle against sexism at work feeds into the class struggle against exploitation.

For working women, oppression and exploitation combine and interact, each intensifying the other. By contrast for upper class women, their oppression as women is *directly counterposed* to the benefits they receive from capitalist exploitation. For this reason, although all women suffer from a common oppression, their experience of that oppression is not the same. Oppression is not the only influence on consciousness or the only determinant of needs.

If we want to organize women workers it is necessary to look at their total situation. The close interaction between exploitation and oppression means that we cannot separate out specifically "women's" and "workers'" demands.

## PAST WORKING WOMEN'S MOVEMENTS

The Women's Trade Union League was formed in the USA in 1903. The members were predominantly working women, but "allies" from other classes could also join if they supported the aims of the organisation. Alice Henry, an Australian living then in the US, described the function of the League in very familiar terms:

*"Women belonging to various unions should come together to discuss the problems that are common to them all as women workers, whatever their trade and aid one another in their difficulties . . . and thus be able to present to their brothers the collective expression of their needs."* (1)

What distinguished the WTUL was not these aims, but what the group actually did.

It is difficult to find words to describe the conditions women worked in then. The long hours (up to 90 hours), dirt, sexual assault, low wages were exacerbated by lack of union organisation. The craft unions, mostly male, used the same arguments against organising women that were used against women's suffrage. Trade unions were "unfeminine". "Do they not tend to unsex them and make them masculine?" (2)

Rose Schneiderman, active in the capmakers, answered with this argument:

*"We have 800,000 women in New York State who go out into the industrial world, not through any choice of their own, but because necessity forces them out to earn their daily bread . . . We have women working in the foundries stripped to the waist, if you please, because of the heat . . . They have got to retain their charm and delicacy and work in the foundries . . . Women in the laundries for instance stand for 13 or 14 hours in the terrible steam and heat with their hands in hot starch. Surely these women won't lose any more of their beauty and charm by putting a ballot in a box once a year."* (3)

It was commonly supposed that these women were unorganisable. So when 150 women were locked out of the Triangle Shirtwaist factory in 1909 few realised what was to come. The women set up a picket line, and were beaten up by the employers' thugs. But when a socially prominent woman from the WTUL was accidentally arrested the publicity aroused other workers. The resulting strike was known as the Uprising of the Thirty Thousand.

This strike's impact on the labour movement was incalculable. It was the first "general strike" of its kind, and the first large strike of women workers. It was an inspirat-

ion to workers all over the country. One newspaper proclaimed: "You are on strike against God." (4) Helen Marot of the WTUL expressed the same thought from a slightly different point of view: "We now have a trade slightly different point of view: 'that women make the best strikers.'" (5)

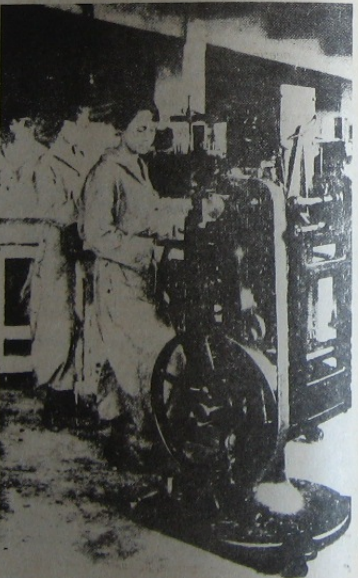
in that women make the best strikers." (5) The union trism that women make the best strikers." (5) When there were over 300 hundred union shops, shorter hours and higher pay.

The support of the WTUL was indispensable. In almost every strike of women workers from 1905 on, the WTUL took an active part—not only running relief kitchens and welfare committees, but also in picketing, organising, raising money and mobilising public opinion.

During the same time, Sylvia Pankhurst was organising working class women in London's East End. Ostensibly it was a suffrage organisation, but Pankhurst had much broader hopes for the East London Federation of Suffragettes (ELSF). Her aim was:

*"the larger task of bringing the district as a whole into a mass movement from which only a minority could stand aside . . . The creation of a women's movement that in the abyss of poverty would be a call and a rallying cry to rise of similar movements in all parts of the country . . . I wanted to rouse these women of the submerged tenth to be fighters on their own account."* (6)

Pankhurst produced a newspaper which exposed the conditions of women's work. Over 2000 women participated in the ELSF, and ran many political campaigns. They agitated for free child care centres and communal laundries; they formed a People's Army of Self Defence and drilled in



the street; they helped in the unionisation of women workers and participated in suffrage demonstrations. During the first World War they opened a toy factory for unemployed women and started a creche in a converted pub, called the Mothers' Arms.

The ELSF waged a militant fight for women's liberation. It didn't see its fight as separate from working class struggle as a whole. Neither did the mainstream of the suffrage movement, the Women's Social and Political Union (WPSU) — who expelled the ELSF because it was "a working class group . . . too democratic." (7)

The ELSF *"had more faith in what could be done by stirring up working women than was felt at headquarters, where they had most faith in what could be done for the vote by people of means and influence. In other words they said that they were working from the top downwards, and me from the bottom up."* (8)

Let us look at an Australian example, a different sort of working class women's movement. The Women's Auxiliary of the Miners' Federation was formally established on a national level in 1941, but had a much longer history.

This was not just a group of women who arranged afternoon teas! The formation of the local auxiliaries in the period 1934-38 was the culmination of 80 years of informal organisation by miners' wives. In the 19th Century the women in the isolated mining villages gained themselves such a reputation for militancy against scabs, that on at least one occasion the mine manager allowed unionists to address scabs, but expressly barred the women!

Yet the women had to struggle against their own men in the 30's to form their own organisation:

*"Lots of the men didn't like their women taking up public action . . . We used to go to Lodge (union branch) meetings and address them. Some of the men were embarrassed and so were we but we soon got used to each other."*

Sometimes the men put up more of a fight:

*"I remember I heard about a meeting being held that night and decided to go. We had built a little shack and it only had one door. My husband sat in the doorway so I couldn't go, but I was only about 6 stone so I slipped out the window and away down the road I went . . . he was all right after that . . . got used to it and always minded the children so I could be in all the meetings and demos."*

The women picketed, demonstrated, organised petitions, raised money, held press conferences, spoke on radio. Even the soup kitchens and social activities took on a political character during the long strikes of 1929 and 1949 in NSW. Despite the term "auxiliary", this was obviously an example of women organising in their own right and in their own interest:

*"It wasn't that the Women's Auxiliary just supported men . . . it was our own survival we were fighting for."*  
*"It tell you it built character those struggles . . . Somehow when you're in your own little family everything just goes along and you can nestle in. When everything is an upheaval . . . it's different . . . everyone is together."*

*"They called us brazen hussies . . . it was unheard of . . . The coalfields women didn't take long to cotton on . . . basically they were fighters . . . they had to be."* (9)

All three of these movements are inspiring. However, all collapsed eventually. It is instructive to look at the reasons for the collapse in each case.

With the WTUL, the predominance of middle class

women meant a move in emphasis away from organising women workers to educational and legislative work. This was partly because the "allies" thought unions were good for abstract reasons — they "developed personality" and "call(ed) up the moral and reasoning faculties." The most important thing for working girls was "awakening of their imagination and sense of beauty".

Sylvia Pankhurst's ELSF came up against different problems. The toy factory and creche had to be supported partly by donations Sylvia scrounged from her mother's rich friends. As Sheila Rowbotham says, "community care was in fact thinly disguised charity." (11) The activists in the ELSF got tied up in administrative hassles.

The WTUL, though it always had a formal majority of workers on its executive board, nevertheless came to be dominated more and more by its "allies". There was no "middle class conspiracy". But when one section of the leadership has a lot of money and free time, there is a tendency for them to become functionaries, to run the office, and attend conferences. As a result, their point of view tends to predominate. It's important to remember that this doesn't just happen when there is a formal structure — in fact the tendency is worse where there is no formal structure.

The militant women of the Auxiliaries of the Miners' Federation didn't have any problems with middle class supporters. But after World War II the demonstrations and political activities declined, and they concentrated on charity type work: raising money for hospitals and swimming pools, visiting the sick and organising picnics. It has been said that "much of their work was as hewers of cake and drawers of tea." (12)

## COMBINED AND UNEVEN DEVELOPMENT

*"Because of their life long training in 'feminine' ways, women are much more obedient and submissive on the job . . . It is very difficult for women to go against their conditioning in this sphere — to assert that they are just as good as men, that the work they do is worth as much as that which they should therefore be paid the same as men . . . (It is ) difficult for women to consider joining a union much less do anything more 'militant.'" (13)*

This is fairly typical statement, explaining women workers' passivity at work. It accepts that women are backward and passive, and then tries to explain it away in a defensive and apologetic manner. This approach is nearly universal among the left, the unions, and the women's movement.

The trouble with this approach is that it is static and ahistorical. Of course, it is true that women in general are passive for reasons connected with their conditioning — in certain situations and periods.

The decades of prosperity since the War encouraged conservatism. Not only women, but the working class in general were temporarily conservatismised by the comparative affluence of the 50's and early 60's.

This period eventually came to an end. One of the earlier signs of renewed radicalism was precisely the growth of the women's liberation movement itself. Starting during 1969, the WLM had become sufficiently significant as a social movement that by 1972 equal pay was granted. In three years the women's movement achieved what the union movement hadn't been able to do in 50 years.

From being passive victims of their own conditioning, women broke out and took the lead in the struggle for social change.

This is the point. Looking at the condition of women as it develops and changes historically, we find that the passivity or otherwise of women depends on the social circumstances. When women do break through to a consciousness of their own oppression, they don't just move up to the level of the rest of society. The sudden breakthrough gives them an impetus to shoot ahead and become leaders. Let's look at a few examples.

In the French Revolution of 1789, it was the poor slum women who initiated the march to Versailles, which dragged the king back to Paris. In the Paris Commune of 1871, working class women met the invading French troops and persuaded them not to fire on the Paris working class, but to join them — thus initiating the Commune.

Though it is well known that women initiated the February Revolution in Russia, the role played by women workers before that is less well known. Women initiated the strike wave of 1910/1914. Frequently the women's section of the plant was the first to strike, and afterwards gained the support of the men.

Several women's strikes were "touch stones" for the Petrograd textile workers. Even the factory owners noted the "characteristic feature... the energetic participation of women." (14) Until this time, the Bolsheviks had paid little attention to women workers as a distinct group. But now they were motivated to launch a special journal, *Working Woman*.

The strike wave among British dockers and gasworkers in the 1890's was sparked off by a strike of "match girls" at Bryant and May in London's East End. And the mass strike of New York garment workers, discussed above led to the formation of one of the first industrial unions.

In Australia during World War II, most unions capitulated to war propaganda and pursued the "battle for production". The union officials consistently discouraged shop floor action and instead relied on the courts. Male workers, who had a tradition of trade unions and were more tied to the official union structures, were more inclined to follow official policies. But women, many in "men's jobs" for the first time, and underpaid for them, led struggles for equal pay that forced substantial concessions

from the government and employers.

Examples are not restricted to the past or the advanced Western countries. In India for example, during the national liberation struggles Nehru noted that women

*"though unused to public activity, threw themselves into the heart of the struggle... Enormous processions of women alone were taken out in all the cities; and generally the attitude of the women was more unyielding than that of the men."* (15)

During the famine in Maharashtra in 1972-73, the poor peasant women

*"not only often took the lead in demonstrations, but were much more militant and adamant with regard to demands than the men. When they gheraoed" a government official they would not budge an inch till he had given in to their demands."* (16) *"besieged in an office*

A classic case occurred in Leeds in Britain in 1970. 20,000 women in the rag trade rejected a national settlement giving men 5d and women 4d an hour. They struck, and their action won 1/2 for women and 1/1 for the men. Here a struggle against discrimination led to an advance for all the workers. In the continuing picket at Grunwicks the fight of the workers, mostly Asian women, for union recognition, has provided a focus for the whole labour movement.

The potential for this kind of militant action clearly exists among Australian working class women today. It was visible in the explosive struggle of the nurses both in Sydney last year, and the previous year in Melbourne when they stormed into Parliament House. It was visible in the strike last year at Rainford in South Australia, where to the surprise of the union leaders women metal workers staged a 24 hour picket for two weeks. It was evident in the courageous struggle at Everhot in Victoria, and the 8 week strike of Newcastle cleaners this year.

#### WOMEN'S LIBERATION AND SOCIALIST REVOLUTION

These examples show the power of working women. They show how vital it is to build a working women's


movement, both of women's liberation and for socialist revolution. They also offer a solution to a problem which has long concerned the women's liberation movement.

Socialist women are currently searching, sometimes rather desperately, for some way of integrating the socialist perspective with their belief in the importance of women's liberation. Only a workers' revolution can put an end to class society. But as many members of women's liberation have correctly pointed out, a revolution is not a magic amulet which will automatically liberate women. A conscious struggle is necessary.

Usually, this is taken to mean the continuation of a watchful women's movement after the revolution. The problem is that the movement is seen as some sort of grouping external to the socialist revolution — a sort of vigilance committee. This perspective concedes in advance that the revolution will be led predominantly by men.

Our argument is that women can be leaders of the revolution, that women's liberation can be a central part of it. We have seen how, in the course of struggle, women workers can leave men far behind in militancy and radicalism. This militancy and radicalism has to be mobilised and organised. That is why building a working women's movement is a urgent task for the women's and the socialist movement alike.

A  
**Redback Press**  
pamphlet



This edition of *Front Line* is the first publication of a new publisher, Redback Press. It will take over publication of *Front Line* and other pamphlets already published by International Socialists. Redback will be publishing the second edition of *Fight for Workers Power* in November 1977.

Next year Redback will start publishing pamphlets of interest to Australian socialists, on economics, on Labour history and on marxist analysis of Australian capitalism.



#### FOOTNOTES

1. Quoted in Joyce Maupin, *Working Women and their Organisations*, p. 8
2. Quoted in *Women in American Society*, by A.D. Gordon, M.J. Buhle and N.E. Tahrton, p. 43
3. Quoted in Meredith Tax, "Conditions of Working Women in the Late 19th and Early 20th Centuries", in *Women: A Journal of Liberation*, Vol. 11, No. 3, p. 20
4. Quoted in Eleanor Flexner, *Century of Struggle*, p. 243
5. Quoted in Maupin, *op. cit.*, p. 10
6. Quoted in Calla Emerson, *Revolutionary Feminism*, p. 24
7. Quoted in *ibid.*, p. 22
8. Quoted in Sheila Rowbotham, *Women, Resistance and Revolution*, p. 13
9. All quotes from "Women in the Coalfields", Mabel No. 2, March 1976, p. 8-9
10. Quoted in Maupin, *op. cit.*, p. 23
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13. Coonile Sandford, "Women in the Workforce", in *ibid.*, p. 8.
14. Quoted in Anne Bobroff, "The Bolsheviks and Working Women 1905-1920" in *Radical America* Vol. X, No. 3, p. 58
15. Quoted in Gail Omvedt, "Caste, Class and Women's Liberation in India" in *Bulletin of Concerned Asian Scholars*, Vol. VII, No. 1, p. 47
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Not so long ago people believed that the post-war boom was going to be permanent — that the system had learned its lessons and the boom/slump patterns were dead and buried.

But the oil crisis, a couple of recessions, a couple of devaluations are fresh in our memory. We can see the instability and viciousness of capitalism reappearing.

While thousands are on the dole, the age-old solution to crisis is being put forward again — get the workers to work more and take home less! Cut the hospitals and schools... leave working conditions to get worse!

So who is willing to fight back? How can mass unemployment be solved — how can we win back decent schooling, health care, working conditions?

We say that if Labor leaders and union officials — no matter how left-wing a reputation they may have — don't want to see these questions as urgent... it is up to the rank and file to organise, to get involved, to work together, to push those who want votes to do something for them.

Often even this isn't good enough. Rank and file workers have to organise in their own right — be aware of all the struggles that are going on and learn all the lessons they bring. For this we need to build a socialist political party — one that is dedicated to the proposition that the only final way to break-out of a crisis-ridden system is to fight... **fight for workers' power.**

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# Old Garbage in New Pails The Nature of Eurocommunism:

DAVID LOCKWOOD

In the run up to the Spanish elections this year, the Spanish Communist Party (PCE) gave its support to the monarchy, ordered the national flag flown at Party rallies, and discouraged its followers from using the traditional clenched fist salute.

In May, the Central Committee of the French Communist Party (PCF) pledged itself to maintain and improve France's nuclear capability — for the defence of French "national independence".

In the Italian elections last year, the leader of the Italian Communist Party (PCI), Enrico Berlinguer, made the remarkable statement that:

"Accusations that the Communists wish to crush

private enterprise are entirely without foundation".

These three parties are the leading lights of the movement known as "Eurocommunism" — allegedly a new development in Marxism. In this article I will argue that Eurocommunism is simply a new version of reformism — the reformism that has characterised the CPs since the 1930s. To be sure, there are important differences between the three parties, but all accept the title Eurocommunist. In this article I will concentrate on what they have in common.

## THE ECONOMIC AND POLITICAL BACKGROUND

Each of the three countries under consideration is severely affected by the current capitalist crisis. In France

the inflation rate is significantly higher than in West Germany or Switzerland. Unemployment, according to government figures, stands at one million, but is almost certainly higher than that. The franc has been subject to successive devaluations. This year an austerity program was imposed consisting of a wage freeze and considerable increase in taxation.

During the 1950's and 1960's, Spain's economic growth rate reached about 7 percent a year. Spain attracted plenty of foreign capital due to its generous terms and enforced "stability." As economic problems were cushioned by the growth of tourism and the export of unemployment: Spain's unemployed became "guest workers" in other Western European countries.

Spain's economic growth produced a larger industrial working class. It also produced closer contact with the Common Market: a preferential trade agreement was signed with the EEC in 1970. But as the international recession developed, there was a decline in tourism and foreign investment. The "guest workers" were retrenched and returned home to join lengthening dole queues. Spanish enterprises began to collapse, while inflation hit a 10-year high of 20 percent.

Compared to the rest of Western Europe, Italian capitalism is backward in its productive and financial base. It also suffers from a series of problems peculiar to Italy: the development gap between North and South, a crisis in agriculture which had led to an influx of unemployed into the cities, and serious unemployment among intellectuals. Italy's persistent failure to rationalise its economy is due to the strength of the workers' movement, the corruption of the state bureaucracy — and also to the fact that the backward areas of Italian capitalism, which rationalisation would wipe out, are an important basis of support for the ruling Christian Democrats.

The economic problems are mirrored by political difficulties. The French workers' movement emerged from the upheavals of 1968 undefeated. Since then, French governments have shown a tendency to vacillate between trying to smash it and trying to co-opt it.

In Spain, the death of Franco roughly coincided with the economic downturn and a growing strike movement. The post-Franco regime is slowly introducing democratic reforms, for two reasons. First, to satisfy the EEC's democratic pretensions. Secondly, to pacify the working class, for an efficient capitalist economy cannot function on a basis of terror and repression. The aim is to integrate "responsible" leaders of the unions and workers' parties.

In Italy the problem is even more acute. The recession has denied to the Italian ruling class the material basis on which to reform and rationalise the economy.

Meanwhile the workers' movement has engaged in almost uninterrupted struggle since the early 1960's. Finally, the force which has kept conservative governments in power since the war — the social bloc of religion and corruption around the Christian Democrats — has begun to break up under economic pressure. The usual Christian Democrat appeal to religion and anti-communism was rejected by the electorate in the divorce referendum in 1974, and the left gained 47% of the vote in the 1975 elections.

In all three countries, the urgent task for the ruling class is to make the working class pay for the economic crisis. Experience has shown that this is more easily achieved by co-optation than by confrontation. The ruling classes of Europe have learnt much from the British Social Contract.

In Italy the PCI is the largest workers' party, and in Spain the PCE is probably in the same position in membership terms. While the PCF of France is smaller than the Socialists, it has held its industrial base. If the ruling class is to co-opt the workers' movement in those three countries, it must do it through the Communist Parties.

The task is made easier by recent developments in the parties themselves. They have been more or less radical-reformist organisations since the 1930's. But in the early

1960's a new right wing leadership emerged which saw the possibility of pushing the CPs into government. The last remnants of socialist rhetoric were to be removed, and the goal of making capitalism more efficient was to become the over-riding concern of the Communist Parties.

## A NEW DEMOCRATIC IMAGE

If the CPs are to be acceptable partners for the bourgeoisie, they must make a visible break with the Eastern European regimes. The most widely-publicised fact about Eurocommunism is its rejection of present Soviet society as a model for socialism. Santiago Carrillo, the PCE leader, said at the end of 1975:

"We cannot invoke the communism which succeeded in Russia in extra-ordinary conditions"(1)  
And the French and Italian Parties declared one month earlier:

"French and Italian Communists stand for the plurality of political parties — including the right of existence and activity of opposition parties. They stand for the freedom to form the possibility of democratic alternation of majorities and minorities, for the secular character and democratic functioning of the State, for the independence justice." (2)

Yet despite this scramble for democratic credibility, the Eurocommunist Parties still consider that the USSR and the "People's Democracies" represent a form of socialism. Carrillo has described Soviet socialism as being "in the primitive stage" while another PCE leader, Manuel Azcarate, characterised the USSR as a "society without antagonistic classes."

To re-think the whole question of the nature of the East European regimes, to recognise their state capitalist nature, would be to open too many cans of worms among the party membership and supporters. Neither would it be particularly acceptable to the bourgeoisie, which prefers to have the Soviet model associated with socialism in the popular mind. But on the other hand, this inability of the CPs to break completely with the Eastern Bloc must present them with continual problems of credibility.

There is another aspect of traditional Stalinism which the Eurocommunists do take over lock, stock and barrel. That is the concept of building socialism in a single country. They emphasize the national character of their program. "We are in France in 1976," said Marchais, "we fight for a French variant of socialism."

The Eurocommunists assume that if and when socialism comes to their respective countries, it will be isolated and unaided. They do not expect the triumph of socialism in, say, France to spark socialist transformations anywhere else. Logically, they point out that an isolated socialist France, or Italy, would be in great difficulties.

This prospect is put forward to justify postponing the struggle for socialism to a vague future when, somehow, the problem may be solved for them.

## UNITY OF THE NATION

The Eurocommunists are unanimous on the need for a multi-party and, more importantly, a multi-class alliance to bring the left to power. After 1956 the PCE adopted a strategy of "National Reconciliation", described this way by Carrillo:

"We believe the democratic revolution to be possible, that means that the united opposition of the army, the church, with some other forces of society, will be engaged, perhaps also with some elements of the present government which call themselves reformers." (4)

Carrillo has stated that the Communists would unite with any political group in Spain, "even those who fought with us in the past." (5) To this end, in June 1974, the PCE helped found the Democratic Junta, which as well as



## EUROCOMMUNISM

including the Confederation Socialist, the Independent Democrats and some regional socialist groupings, also included the Partido Carlista (monarchists) and Calvo Serrer, an ex-member of Opus Dei who now claims to be a "liberal monarchist." The PCE paper *Mundo Obrero* proclaimed:

"Today, the Democratic Junta covers a wide sweep of social forces from left to right, from the working class to the dynamic sectors of capital." (6)

The only group excluded is of extreme right of the Falange (its progressive sections can of course be useful allies). Subsequently, the PCE has joined the Democratic Co-ordination which, along with the Socialist Workers' Party, embraces the capitalists' parties, among them "ex" supporters of Franco.

In the interest of the unity of this "wide sweep of social forces" the PCE has actively discouraged strikes in the prelude to this year's elections; pleaded with Basque workers striking for amnesty to return to work; and has generally gone out of its way to convince the bourgeoisie that it is the most moderate of moderate political forces.

For the French Party, the key slogan is "anti-monopolism". Its aim is to create an anti-monopolist coalition to impose democratic reforms. This coalition would include:

"... the immense mass of salaried workers, employees, technicians, engineers and cadres, intellectuals... small and medium scale farmers... artisans and small businessmen, small and medium entrepreneurs..." (7)

The Party's present priority is to reassure and rally this potential electorate — to be more patriotic than the Gaullists and more liberal than the Giscardians. In June 1972 the Party signed the "Common Program", which bound it to strive for government in coalition with the Socialist Party and the Left Radicals. If it is to maintain this coalition, it cannot afford to espouse anything more than a creeping brand of reformism.

All three parties of the Common Program, but especially the PCF which has the largest working class base — have refused to organise a serious counter-offensive to the government's austerity measures, for fear of damaging their electoral prospects.

The most important example of a multi-class alliance can be found in Italy, where because of last year's election results the PCI strategy is virtually in full operation now.

The PCI strategy is an attempt to forge a "historic compromise" between all forces in political life. The term first occurred in a series of three articles by Enrico Berlinguer, appearing in 1971 under the title, "Reflections on Italy after the Chilean events." Berlinguer considered that the most important lesson of Chile was that "progressive change" cannot be brought about by splitting society into two hostile camps. In other words, because the class struggle tends to encourage this sort of thing, that struggle must be abandoned. Instead the main problem in Italy was:

"... how to avoid... the formation of a broad front of clerico-fascist stamp..." (8)

Berlinguer's solution to this problem was simple: the PCI had to ally itself with every force in Italy that was not specifically "clerico-fascist". According to Berlinguer Italy's ruling Christian Democrats represent many of the intermediate strata of Italian society, and even sections of the working class. Thus the PCI must ally with the Christian Democrats (as a whole) to avoid increasing divisions in Italian society. Berlinguer calls for:

"A Government representing a democratic change of course, founded on agreement and collaboration among all the popular forces, and particularly among those based in the decisive components of Italian historical and political reality: the Communists, Socialists and Catholics." (9)

We are no longer talking about a coalition of the left (as in France) or a coalition against fascism (as in Spain). We are talking about a coalition of all Italians, "the salvation and rebirth of the Italian nation". (10) In practice this

means a coalition government of the Christian Democrats, the Socialists and the PCI.

This leads the PCI to a position of hostility to extra-parliamentary movements, which could threaten the Party's parliamentary movements on the government benches. The feminist chances of sitting on the government benches. The feminist demands, for example, is "extreme" — because its movement, if carried out, would bring the reactionary parties and the Church.

The PCI position on abortion is that it should be allowed only in public hospitals, after examination by two doctors and a social worker, all of whom must be convinced that there are adequate physical or social grounds. A far cry from free abortion on demand!

While the Party broadly supported moves to liberalise divorce laws, it wished at all costs to avoid an election on the issue, because:

"... an election for or against divorce would damage... and endanger certain essential values, such as the religious peace of the Italian people, the unity of the working masses, the future of the Italian democratic system, and the renewal and progress of our (11)

The multi-class alliance essentially involves abandoning any notion of the central role of the working class in the struggle for socialism. The working class, say the Eurocommunists, is now a minority in capitalist society, and therefore cannot lead the struggle. Instead:

"... the working class must take as its duty the rallying of the quasi-totality of the people..." (12)

## THE ENDLESS DEMOCRATIC ROAD

The Eurocommunists are devoted to a peaceful and parliamentary road to socialism. Berlinguer writes:

"The democratic road to socialism is a progressive transformation of the entire economic and social structure, of the underlying values and ideas of the nation, of the power system and the bloc of social forces in which this system finds expression. In Italy this transformation can be achieved within the framework of the anti-Fascist constitution." (13)

Once the historic compromise is in operation, it is supposed to bring about "a progressive break with the logic of the capitalist system" and lead to the introduction of "certain elements proper to socialism into the organisation and general functioning of society". (14) The French think the election of the Common Program will do much the same thing, while the Spaniards consider that the introduction of democracy in Spain will constitute a "democratic rupture" with Spanish capitalism. By introducing socialism so that no one notices, and spacing out the "breaks" with the capitalist system, they hope to avoid the logic of the class struggle.

Enough has been written elsewhere about the pitfalls of the parliamentary road. Suffice it to note the contrast with the views of Marx:

"... the working class cannot simply lay hold of the ready made state machinery, and wield it for its own purposes."

and Lenin:

"It is clear that the liberation of the oppressed class is impossible not only without a violent revolution, but also without the destruction of the apparatus of state power which was created by the ruling class..."

Eurocommunists try to help themselves over this problem by distorting the work of the Italian Communist Antonio Gramsci. Gramsci is said to have modified Leninism to suit western capitalism. On the Eurocommunist reading, he appears the very image of Berlinguer and Carrillo.

The truth is that Gramsci sought to build soviets in Italy, not capture the parliamentary machine. Armed insurrection, as he made clear in his prison conversations,

remained for him "the decisive moment of struggle". (15) It is a long way from the revolutionism of Gramsci to the reformism of the modern CPs.

## WHO IS THE ENEMY?

The enemy is defined not as the capitalist class, but only a minority of that class — the "non-progressive" elements. The PCI goes to great lengths to support small and medium property, both industrial and agricultural. It concentrates its attacks on "speculative" and "parasitic" elements within the capitalist class, and on the multinationals. In 1976 Marchais told PCF members that the real enemies were the directors of the 25 corporations which dominate France. Other businessmen deserved protection:

"We don't propose that these other classes should merge with the workers. On the contrary, we quite understand they are fighting to remain themselves, and we want to help them fight to do that." (16)

As the broad movement that the Eurocommunists want to build gets larger, its enemy gets correspondingly smaller. The implication is that the enemy of the working class is not someone who exploits, or owns the means of production. It is simply any group that will not unite with the CP for national salvation.

Accordingly, the CPs single out only certain sectors of capital as the object of state intervention. The PCF's Common Program envisages a first stage in which nine companies in key industrial, banking and insurance sectors will be nationalised. Any further nationalisations are consigned to a hazy future second stage — in which for some reason the objections of their allies in the Socialist Party will have disappeared.

The PCF makes it very clear that total nationalisation (let alone workers' control) is neither desirable nor necessary; all that is needed is a "minimum threshold" to make this "advanced democracy" irreversible. (17) The Italians, on the other hand, have no plan for immediate nationalisations at all. In fact, the PCI has said that it might reduce nationalisations and "reprivatise" those concerns that have not "worked well" under state control. (18) Berlinguer has reassured any businessmen who were still dubious that the CPI would:

"... provide the entrepreneurial world with a new framework of objective economic opportunities, leaving ample room for autonomous enterprise by private business in industry, agriculture and other sectors, and indeed, stimulating it." (19)

## THE DEMOCRATIC ROAD . . . TO DEMOCRACY

It should not come as a shock to learn that the Eurocommunists do not place socialism on the immediate agenda. The French Party sees the introduction of the Common Program as constituting a stage of "advanced democracy", which might "open the road" to socialism. (20)

Carrillo defines socialism as "a decisive change in relations of property, in culture and in morality" — but even that is not possible at this stage; the most that can be achieved is an "economic and political democracy". (21)

Berlinguer says:

"The question then, is not one of setting a socialist society as our goal for the near future, but of implementing measures and policies that are, under certain aspects, of socialist type."

One justification offered by the CPs for postponing the transition to socialism is especially interesting. They assume, following statist tradition, that socialism is to be built in a single country. This goes together logically with the national, and nationalist, character of their program. But it also allows for its gradualism.

For if we assume that the process of transition to socialism in France, say, is to remain within French national boundaries, it follows that a socialist France would be terribly isolated and come under great pressures from the surrounding imperialist powers.

The Russian revolutionaries were motivated by the belief that their seizure of power would spark off an international revolutionary upsurge. They saw their own workers' state as the beginning of a socialist transformation in all of Europe. The Eurocommunists, lacking this perspective, are left with a highly pessimistic view of the chances of survival of any socialist regime.

This pessimistic view, in turn, provides the basis for timidity and gradualism in politics. It also leads logically to a desire to strengthen the national defence forces.

## EUROCOMMUNISM

All three parties are keen on national independence: "Italy's national independence is something extremely precious for all Italians. And we Communists... are convinced that we are among the most stubborn and inflexible supporters and advocates of national independence." (22)

This "stubborn and inflexible" attitude is most often displayed in order to convince people of how independent the Eurocommunist Parties are of the Soviet Union. Berlinguer says:

"I feel that since Italy does not belong to the Warsaw Pact... we are absolutely certain that we can proceed on the Italian road to socialism without any constraint." (23)

But it has other consequences as well. Berlinguer went on to say that he wanted Italy to remain in NATO, since he felt "safe being on this side". In the name of "national independence", the PCI has decided that Italy should remain within a reactionary military alliance, dominated by the United States.

In the very name of national independence, the PCE too has declared:

"In accordance with the realities of the present international situation, we are prepared to accept the presence of US bases until an international agreement is reached to remove all foreign bases from all countries without exception." (24)

As for the Spanish army, point 8 of the Democratic Junta program calls for:

"The political neutrality of the army and its exclusive, professional dedication to external defence". (25)

## CONTRADICTIONS IN THE MULTI-CLASS ALLIANCE

The rotten blocs represented by the Historic Compromise, Democratic Co-ordination or Common Program are naturally full of contradictions.

The CPs are dedicated to making capitalism work. This means the rationalisation of the system. But rationalisation will tend to weaken many of the intermediate classes in society — some of the very elements out of which the multi-class alliances are to be constructed.

But the most serious problems will arise within the CPs' own working class base. Any left government will have to attempt simultaneously to satisfy the aspirations of the workers, and to achieve economic expansion. In times of economic crisis, this becomes more and more difficult to do.

The CPs are dependent on the power of the workers' movement — why else should the bourgeoisie bother to make a deal with them? Yet they dare not allow the class struggle to get too far — or else the bourgeoisie will conclude that they are worthless as brokers and throw them out of government.

After the past few years of continual restraint exercised on them by CP leaderships, militant sections of the working class are growing accustomed to going beyond the initiatives proposed by the Communist Party. The rank and file of the CPs often find themselves supporting the actions of the revolutionary left, in opposition to their own leadership.

In sum, the Eurocommunists face the classic dilemma of reformism: reformist movements cannot reach their greatest strength just at the point when the basis for the realisation of their program is being eroded, by economic crisis and social polarisation.

## EUROCOMMUNISM IN ITS HISTORICAL CONTEXT

Eurocommunism does not represent a brilliant new insight. It is just the latest stage in a process of degeneration of the Communist Parties which began in the 1930's.

The defeat of the revolutionary wave in Western Europe in the 1920's coincided with the victory within the USSR of the Stalinist counter-revolution. The Kremlin asserted that the main task now was to defend the USSR, and the national interest of the Stalinist bureaucracy, rather than to prosecute world revolution. This view became orthodox among the Communist Parties, which now became the loyal agents of Soviet foreign policy.

The origin of many of the ideas now known as "Eurocommunism" was the 7th Congress of the Communist International in 1935. The CPs were told that relations between the USSR and the capitalist countries had entered a "new phase". It was possible for the USSR to co-operate not only with the small states, but also with the "democratic" imperialist states interested in preserving peace.

The CPs were to form a "People's Front" in their respective countries. It was to include, in addition to a united working class, all sections of the nation willing to fight fascism, including sections of the bourgeoisie. The victory of the Popular Front would constitute a first step toward the attainment of socialism — sometime in the unspecified future.

For the first time, the immediate purpose of Communists was no longer regarded even verbally as being the struggle for socialism. The task for the CPs was to integrate themselves into the capitalist political system — by forming alliances with any and every class possible, and by establishing themselves as responsible "national" forces.

In 1936, the French Popular Front was elected to government on an extremely moderate program. The French working class did not wait for the new government to fulfil its promises, but moved into action on its own behalf. France was soon paralysed by a general strike. The PCF, which had put forward the accurate slogan, "The Popular Front is not the revolution", told the strikers:

*"The present situation . . . cannot be protracted without danger to the security of the people of France."*

PCF leader Thorez later commented:

*"The Communist Party had the courage to proclaim: it is necessary to know how to end a strike. . ."* (26)

Later during World War II, the PCF supported Charles DeGaulle, and helped him to power after the war, urging French workers to engage in a "battle for production" to restore the capitalist economy.

When Togliatti returned to Italy in 1944 he suggested the formation of political agreements between the Christian Democrats, the Socialists and the PCI (27).

By 1947, the cold war was underway, and the Eastern bloc began to look to its defences. To this end, the CPs in Western Europe entered a "militant" period — encouraging strikes, demonstrations and other actions which might hamper the prosecution of the cold war. But even at this point, the policy of CPs was far from advocating revolution. Berlinguer comments that even during this period:

*"We did not turn aside from a line asserting our function as a national force, from a constant search for unity in the working class and among democratic forces. . ."* (28)

The two world power blocs entered a period of military and political balance in 1951-52. Both sides had nuclear weapons, while the respective areas of interest had become more or less defined. The time for negotiation had arrived for "peaceful coexistence" and later "détente". The USSR was no longer very dependent on the CPs to pressure Western countries. Freed of the burden of being Soviet foreign policy agents, the CPs could begin to pursue the Popular Front to its logical conclusion. They could seek to establish themselves as truly "national" forces.

The trend since that time has been for a shift from traditional Stalinist reformism to social democratic reformism.

Traditionally, the CPs were dependent on the USSR and influenced by their role as an arm of Soviet foreign policy. This often led to a certain combativeness towards the capitalists in their own country, which allowed the party members to see themselves as fighting for socialism, and representing an international socialist movement.

Social democratic reformism in the twentieth century was characterised by a purely national orientation, and usually by anti-communism. The growing independence of the CPs from the USSR has allowed them to accommodate to this political method.

The Eurocommunists are taking the trend a step further. They are prepared to play an anti-soviet feelings in Western Europe. Thus the recent battle between the Russians and Carrillo. This trend has led the Kremlin to encourage the formation of Russian-line splinter parties, most recently in Britain.

The Eurocommunist break with the Eastern bloc, therefore, is a genuine one. But as far as the political program of the Communist Parties in their own countries is concerned, the only changes represented by Eurocommunism are a strengthening of the rightward movement which has characterised them since the first days of the Popular Front.



Antonio Gramsci — the real Gramsci, the one who believed in armed insurrection as "the decisive moment of struggle" — in factory councils — that "the socialist state cannot be embodied in the institutions of the capitalist state". . . .

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# Obsolete Leninism?

We are now entering the second great capitalist crisis of the Twentieth Century. The advent of the first crisis, marked by the First World War, was seized upon by Lenin as the time for socialist revolution. The resolution of the crisis in a progressive way depended on the seizure of power by the working class.

This Leninist perspective is again becoming vital. But as in 1914, the mass workers' parties today are proving an obstacle rather than a vehicle for socialist revolution. Tragically, this is true of the Communist Parties themselves, which were formed in the wake of the Bolshevik revolution, and adopt the nationalist and reformist orientation of the social democrats whom Lenin denounced as traitors.

Obviously the details of Lenin's tactics cannot be transferred to our situation. But what of the *fundamentals* of Bolshevism?

Socialist strategy begins with the working class. Of course, there cannot be a simple-proletarian revolution. The working class, blue collar and white collar, needs allies: small farmers, students, small shopkeepers. But they are allies in the struggle to smash capital. This perspective has nothing in common with popular-front style collaboration with the bourgeoisie.

The experience of the revolution of 1917 cannot be transferred mechanically to today's problems, but there are lessons which are universal. The events in Chile in 1973, and Portugal more recently, demonstrate the need to smash the capitalist state, not to reform it. They demonstrate the relevance of workers' councils, and the need for a mass workers' party dedicated to the seizure of power.

Lenin's internationalism, too, becomes more immediately relevant with each passing day. The economic crisis is international, and attempted solutions on the national level can only make it worse. While the workers must seize power first in individual countries, a socialist revolution isolated in a single country will be destroyed. Unlike the Eurocommunists we do not conclude from this that socialism is impossible for the foreseeable future. We do conclude that revolutionaries need an international perspective, and an international revolutionary movement. And we seek to demonstrate the futility of retreating into nationalism, as do the Eurocommunists.

It is becoming increasingly clear to those who wish to see, that it is not the Communist Parties in Europe who wage the class struggle, but the organisations to their left. Eurocommunism, like the previous versions of CP reformism, leads into the arms of the bourgeoisie and away from the struggle.

The Communist Party of Australia is not unaffected by the debate over Eurocommunism. There are those within the CPA, like Bernie Taft, who are bent on covering for the class collaboration of Berlinguer, Marchais, Carrillo. But there are also many CPA members who are uneasy. Some of them can recognise in their own leadership a similar method to that of the Eurocommunists.

As the European CPs move closer to government, the contradictions between their avowed socialism and their real reformism will intensify. There must inevitably be a period of agonising reappraisal for many CP militants in Australia, too.

The names of the issues will be new: Eurocommunism, historic compromise, social contract. But the content will be the same as so often before: reform or revolution? Class struggle or class collaboration? We hope the comrades of the CPA will think long and hard about the arguments we have raised here.



## Consumptive Theory of the Underconsumptionists

In times of recession, the reformist leaders of the labour movement invariably turn to theories of underconsumptionism — theories that say we can spend our way out of the slump. This is essentially the policy of the Labor left today, and was the theoretical basis of the "People's Budget".

The following article, which first appeared in the American journal "The New Internationalist" in July, 1949 outlines the Marxist answer to such theories.

### Current Theories of Overconsumption

Economic journals and popular magazines are again featuring articles concerning the possibility of a business recession in the United States. Despite the unprecedented period of prosperity by this country since the start of World War II, those economists who are willing to bank their professional reputations on a continued expansion of American production coupled with full employment and a steadily rising standard of living for the entire population are few and far between. Remembering the crisis of the '30s, most writers have switched over to an entirely different type of thinking:

that crises are part and parcel of "our way of life," unpleasant, yet necessary for the preservation of "our democratic system"; that some government intervention is essential to minimize the effects of crises and hasten the return of prosperity; that such governmental interference should remain at a minimum, and that government effort must be focussed in directions where it will not compete with private industry to any major degree.

To a very large extent, this type of economic thinking has its roots in the acceptance, to some degree or other, of an underconsumptionist analysis of capitalist economy. This analysis of capitalism is held not only

### A. KIMBAY

by bourgeois economists, however, but by a very large number of Marxist writers, many of whom confuse the underconsumptionist theory with Marx's analysis of capitalist crises, and preach a more or less sophisticated version of the underconsumptionist argument. To the serious student of the Marxian analysis, however, it is essential that underconsumptionist fallacies be avoided, and limitation to a reformed capitalism be clearly understood.

In essence, the underconsumptionist argument may be summed up as follows: All value is created by labor. By working on a raw material and transforming it into a finished product, additional value is created.

The worker receives (in wages), however, only a portion of the increase in value which his labor has produced. These wages are the value of his power, the value of the number of goods and services required to maintain himself and his dependents on the "standard of living" basis existing in his community. Since the increase in value which he has created is more than the value of his wages, the balance can be expropriated by the capitalist and becomes his profits.

No disparity as yet exists between the above conclusions and a simplified Marxian analysis (see below). From this point on, however, any resemblance between Marxism and underconsumptionism is wholly coincidental.

### Underconsumption Arguments

The underconsumptionist argument continues: Because the worker receives back in wages, only a portion of what he produces, he can only buy back goods equal in value to the wages which he has received. The persons from whom the capitalist purchased the raw materials and machinery necessary to produce the finished product, in turn, can only buy back finished goods equal in price to the goods purchased from them. This leaves our capitalist with finished goods, equal in value to his profit, or surplus. This profit cannot be realized in cash, however, until these surplus goods are sold and money realized from their sale. But who is to buy back these goods? The capitalist class is relatively small, and constantly decreasing in numbers. The quantity of goods which it is possible for them to consume is necessarily limited. Given maximum consumption on the part of the capitalist class, it is still impossible (?) for them to buy back more than a portion of these surplus goods. The balance remains on wholesaler and retailer shelves as an unsold and unsalable inventory, from which the profit cannot be immediately realized.

As this inventory mounts, production is suspended and layoffs occur, the result of natural desires on the part of our capitalist to dispose of his unsold inventories before proceeding with the production of further commodities. This in turn means a decrease in employment and in total wages, a curtailment of buying power and a resultant stockpile of additional unsold inventory.

When unsalable goods reach a certain peak and unemployment hits a high level, the country finds itself in the grip of a cyclical crisis, with its resultant manifestations. When the unsalable inventory is reduced (production falls below consumption, export increases, or a war enables two warring capitalists to destroy their own and their opponent's goods) it again becomes possible to sell additional goods as produced, workers are rehired, new machines bought and a period of relative prosperity reappears.

Not only is the above theory a vulgarized and grossly inaccurate approximation of the working of a capitalist society, as pictured by Marx, but it tends to give rise to a series of dangerous misconceptions regarding the capitalist society in which we live.

If we were to accept this theory, for instance, we would be face to face

## What Marx Said

If one were to (say) that the working-class receives too small a portion of its own product and the evil would be remedied as soon as it receives a larger share of it and its wages increase in consequence, one could only remark that crises are always prepared by precisely a period in which wages rise generally and the working-class actually gets a larger share of that part of the annual product which is intended for consumption . . . It appears, then, that capitalist production comprises conditions independent of good or bad will, conditions which permit the working-class to enjoy that relative prosperity only temporarily, and at that always only as the harbinger of a coming crisis.

— Capital, Volume II, p. 415 (Moscow Edition)

with the following:

1. Capitalist crises can be resolved by increasing wages. The working class could then buy back a larger portion of the manufactured commodities, making it possible for the capitalists to consume the balance and avoid crises.

2. If the capitalist class steps up its own spending — more and better swimming pools, private airplanes, guns, cannon, atomic bombs, public works, increased services, larger and more expensive bureaucratic apparatus, etc — there is no reason why crises should come about at all.

3. Why, therefore, waste time in attempting to replace a system which can so easily be reformed?

### Seeds of Disintegration

Unfortunately, the seeds of disintegration inherent in capitalist society are planted far deeper than advocates of the underconsumptionist argument realize. Theoretically, it is quite possible for a capitalist society to be in equilibrium, that is, produce exactly as many commodities of each type as are required in any given period of time by the entire population. That portion of the total product which would be required by the working class and the individual capitalists in order for them to live would be available in the form of consumer goods necessities. The balance would be manufactured into consumer goods luxuries (by definition: consumer goods used by the capitalist class exclusively, including yachts, private aircraft, exclusive clubs, war material, etc.) and capital goods, including both machinery and raw materials.

In actuality, however, the tendencies toward disproportion in our economy so strongly outweigh the

countertendencies as to make disequilibrium and relative overproduction the prevailing rule. Any consumer goods item which can be sold at a fairly good rate of profit and whose production does not require too high an initial investment is soon being produced by numerous competing industrialists, each anxious to obtain a "fair share" of the profitable pie. The resultant competition soon brings the profit down to the average rate and finally below average. Capital is at this point transferred away from the production of this item and on to some other commodity, but not before several investors have enjoyed that common yet unpleasant experience of having made a negative profit.

### Market and Overproduction

Of and by itself, the market tends to govern relative overproduction of individual commodities such as has just been described, and prevents an acute crisis from developing from this fact alone. Another and far more serious form of disequilibrium, however, cannot so easily be negated.

Because of the tremendous cost of capital equipment required to produce machinery and raw materials (steel, aluminum, coal, etc.), production in these fields is controlled by a limited number of capitalists. A certain amount of over-all planning is therefore possible in the capital goods industry, competition is less keen, relative overproduction not so common and overexansion more easily avoided. As a result, the production of consumer goods material tends, in normal times, to increase at a far more rapid pace than the production of capital goods commodities. This, in

turn, creates a disproportion between the two departments, making the exchange between the departments imperfect, and resulting in the piling up of unsold commodities. This tendency is further heightened by what may be called the "anti-damp" tendency, as opposed to the "damping" tendency described by many bourgeois economists. This tendency may be briefly summed up as follows:

The average machine (fixed capital) usually wears out only after a period of approximately ten years. During this time a portion of the value of this machine is constantly being transferred to the commodities which it produces. At the end of the ninth year, however, our machine is still producing just as many items as it did in the first year, regardless of its loss of value. It need, therefore, be replaced only after it is completely worn out at the end of the tenth year (barring earlier obsolescence). During the ten-year period it has been in use the money representing the value of its wear and tear, plus sufficient funds for accumulation, must be set aside by its owner for eventual replacement of the machine.

If the machine is a fairly new invention, all capitalists have been forced to purchase it at approximately the same time, if they were to continue production on a competitive basis. Not all the machines wear out at the same time, however, and the bourgeois economists therefore concluded that a "damping" or leveling out tendency sets in, whereby after a period of time just as many machines tended to wear out in any given year as in any other year, preventing a rush of orders all at once, followed by a period of slack. But an anti-damp tendency exists (Marx) which far outweighs this damping tendency. This results from the fact that times are always equally conducive for the purchase of machines and tools. During a period of depression, for instance, with small chances of high profit and a very good chance of taking a considerable loss, capitalists will delay or completely suspend the replacement of their capital goods equipment. When conditions begin to pick up, however, and profits are again possible, a terrific rush to re-equip plants will ensue. The same situation holds true during a war, when many consumer goods are no longer produced, and the capital equipment is therefore not replaced. The war is no sooner over, however, than a need arises to replace the fixed capital of all these plants on or about the same

time. Each war and each crisis, therefore, is the start of a cycle which through the anti-damp tendency is the starting point of the next prosperity-crisis cycle.

### Commodity Stockpiling

The whole structure and nature of capitalist society and the market tends to aggravate and heighten a crisis once it has started. The stockpiling of large quantities of unsold commodities, one of the first signs of disequilibrium and impending crisis eventually forces down the price of these goods to well below value in an attempt to "move" the stock. Inability on the part of the weaker industrialists to continue in business with these lower prices results in bankruptcies; inability to meet debts as due, sale of bankrupt stock at below the cost of production (in an effort to realize cash to meet debts) and a stoppage of production due to the inability to sell goods at a profit (given the new market price).

Little by little the bankrupt stocks are consumed, fixed capital must be replaced, cost of production drops, due to an increase in productivity, a lower wage rate is imposed upon the working class if possible, and the economy begins slowly to recover from its period of crisis.

Side by side with these tendencies augmenting the worst effects of the crisis and having a definitely paralyzing effect upon the economy of its own, is a deeper, graver and more far-reaching tendency in capitalist economy. This is sometimes referred to as "the theory of diminishing returns," and known to Marxian economists as the tendency toward a fall in the rate (and eventually the mass) of profit.

Although it is extremely difficult to go into the many complicated factors which Marx uncovered to show the existence of this phenomenon, I will try to present it in rough summary form.

### Marx on Value

All value, says Marx, is created by labor. The worker, who labors, gets paid for his labor power, or the value of commodities and services which he requires to maintain himself and family at a level consistent with the average standards prevailing in his community at the time. The value of the worker's labor power must be less than the increase in value which his labor creates, otherwise he cannot be profitably hired by the capitalist and will

remain unemployed. The increase in value brought about by the worker's labor, less the value of his labor power, represents the capitalist's surplus.

To operate efficiently, a capitalist must use the very latest productive machinery, else his costs per commodity produced cannot remain competitive. The tendency within the economy, therefore, is to invest constantly a greater and greater proportion of capital in machinery and raw materials and a smaller and smaller proportion in labor power.

The value of the machinery and raw materials consumed enters unchanged into the value of the finished product. No surplus, therefore, is created from that portion of the capitalist's investment, yet competition from other capitalists forces him to invest an ever larger percentage in these "unprofitable" items and an ever smaller percentage in the profit-creating labor power. Use of these machines, however, increases the productivity of labor. More goods are therefore produced in the same period of time, bringing down the value of labor power (cost of goods consumed by the working class) and increasing the percentage of each worker's produce which it is possible for the capitalist to expropriate. This is a counter-tendency to fall in the rate of profit.

Nevertheless, this greater "rate of surplus" can only be expropriated from an ever smaller proportion of the capitalist's investment. With the rate of profit falling, the mass of investment must be constantly increased to obtain a continued increase in the mass of profit. As productivity increases, however, so large an investment must be made in capital goods for every dollar invested in labor power, that it becomes impossible (profitably) to hire the same quantity of workers as in the past, given the available investment capital. Workers, no longer profitable, are laid off. Less labor hours, however, means the production of less value. Even with an increase in the rate of exploitation, therefore, the point must eventually be reached when the mass of surplus must drop. At this point the crisis becomes secular and permanent. Given the continued existence of capitalism, a crisis of this sort can be resolved only by imperialism and war, and then only for a limited period of time.

The above short summary does not take into account any but the most obvious features of a capitalist crisis. No attempt has been made to include the entire schemata of Marx's

thinking and what has been presented is in an oversimplified and incomplete form. The three volumes of Capital cannot, unfortunately, be condensed into the space of this short article.

### The Cause of Crises

One thing, however, is extremely important and, I hope evident from the above presentation. Crises are not caused by inability of society to consume all that it produces, but by disequilibrium and a falling rate of profit. An increase in workers' pay will not solve a capitalist crisis. It will heighten it by bringing about a further cut in the rate of profit. The capitalists, being well aware of this point, do all they can to cut wages. The continuation of capitalism, therefore, is dependent upon a constantly increasing rate of exploitation. For his own protection it is essential that the worker protect and expand his standards of living but with no illusions regarding its "beneficial" effect on capitalist crises.

From the point of view of the capitalist, mounting unemployment (up to a point) need not be a sign of crisis. A "labor pool" means lower wages, and if the mass of profit continues to rise this surplus of labor power is looked upon by the capitalist class as a boon rather than an evil. Only when the mass of profit begins to fall does the bourgeois economist become concerned with the conditions of the world.

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## Peoples Economic Program

**Australia Uprooted**, published by the Amalgamated Metal Workers  
**The People's Economic Program, A Trap for the Labour Movement**, published by the Socialist Workers' Party, Australia, 30 cents.

The defenders of the People's Economic Program have become very testy and defensive of late. This suggests that criticisms of the PEP are hitting home.

The most common line of defence is to disown responsibility for the only serious document to emerge from the PEP movement, the pamphlet *Australia Uprooted*, published by the AMWSU. "We did not write the pamphlet", says the Communist Party — which did however give it a glowing review in *Tribune*. "We only meant it as an interesting contribution," says the pamphlet's actual authors from the AMWSU.

But *Australia Uprooted* is far more than an interesting contribution. It is being bought in the tens of thousands, and distributed free to shop stewards throughout the country. It is setting the whole basis for discussion of the crisis throughout the working class. And the general approach it represents underlies many major initiatives by the unions — from the People's Budget to the "Buy Australia" campaign.

A critique of the pamphlet is therefore a critique of the methodology of the trade union left. The most thorough, and the most vilified, critique to date is that by Jim McIlroy. It is interesting to look at both together.

The first thing that strikes you about *Australia Uprooted* is its rambling and eclectic presentation. On page 13 we read that:

"With the Fraser government's devaluation of the Australian dollar, incoming money was worth more here and could buy more of Australia... the money pouring in caused more inflation and with the level now running at about 13%, more is still to come."

We can only conclude that the authors are opposed to the currency having a low value. Yet on page 15 we read about these dire effects of an export boom:

"The value of the exports tends to drive up the value of our currency... So in come the flood of imports."



This flood of imports threatens to wipe out local manufacturing. Perhaps the authors are against the currency having a high value? Or perhaps they are more interested in scare mongering than economic...

On page 11 we learn that by the late 1960's the

multinationals had "captured the high profit core of manufacturing", yet on page 13 we are told that they are not interested in investing in this high profit core. Fiendish clever, these multinationals.

Despite the rambling nonsense, two themes can be identified. The first is that the present economic crisis is caused deliberately by the multinationals:

"Australia plunged into its biggest economic crisis since the 1930's. All because of the decisions of a few owners of companies."

Secondly, there is a major restructuring taking place. Investment is being drawn away from manufacturing and being poured into mining:

"Australia is becoming a vast quarry, supplying minerals for overseas manufacturing industries."

All it adds up to a conspiracy theory of the kind that is always popular among Australian labour

is that workers, and some of the domestic producers will wake up and become a political force to resist the shift to mining." The class-collaboration could not be more blatant.

The pamphlet concludes with some proposals for social change. When these proposals are criticised, the defenders of the pamphlet claim that they are not essential to the argument. However, they are set out in the pamphlet as an integral part of it, and that is how thousands of militant workers are perceiving them.

The proposals amount to a radical-reform program. They are set firmly in the context of an acceptance of the existing system:

"Establish a Department of Economic Planning to give advice to and carry out instructions from the elected government..."

And they go no further than public ownership by the capitalist state:

"Seek to effect changes in the constitution necessary to bring about the public ownership of as many of the largest Australian and Overseas owned corporations operating in Australia as is necessary to control the direction and functioning of the Australian economy."

Where full public ownership is unnecessary shares sufficient for control will be obtained."

Obviously it is not a revolutionary program. However, the reforms are radical enough to give heartburn to big business and to encourage a wave of militancy among workers. If there were any indication that the AMWSU leadership was prepared to fight for any of these measures, that would be a development to be welcomed.

Unfortunately, only one clause in this program is even likely to be fought for. It reads:

"A programme of

overall planned tariffs and quotas to ensure the rationalisation and viability of the manufacturing industry."

The rest of the proposals perform two functions. First, they provide a left-sounding smoke-screen for protectionist policies. Second, they give the unions leaders something to waffle on about at delegates' meetings, to avoid embarrassing questions about why the AMWSU hasn't waged a real award campaign since 1974.

The conspiracy theory about multinationals deliberately causing our crisis reinforces this second function. The hidden message is that the cause of our troubles is sinister forces, so powerful that even the Australian government can't fight them. How, then, can anyone expect Halfpenny or Garland to do so?

Jim McIlroy's pamphlet has effectively debunked most of the economic arguments in *Australia Uprooted*. For this reason, it is required reading for revolutionaries.

Is there a shift in investment away from manufacturing, and toward mining? Not according to the American Chamber of Commerce in Australia, whose figures show that:

"Investment in all manufacturing (in Australia) is expected to increase from 38 percent of the total estimated investment in 1976 to 46 percent of the estimated total investment in 1977."

"But in mining and smelting the indications are for a marked decline both in total amounts of investment and as a percentage share of total affiliate investment in Australia: down from 23 percent... in 1976 to 16 percent... in 1977."

McIlroy did not ferret out this information from an obscure source. He found it in the *Financial Review* on June 23. He goes on to quote Arvi Farbo, a leading executive

of Western Mining, to the effect that no new mining projects — as opposed to expansion of existing ones — had been started in Australia for five years. In a few paragraphs, McIlroy has demolished the entire central argument of *Australia Uprooted*.

In other chapters he states what should be obvious to Marxists. The recession in Australia is an international crisis. There is considerable restructuring going on as a result of it, but that is nothing more than a shift of investment into more profitable sectors generally. There are no conspiracies, or can there be. The laws of capitalist development are at fault, not 'the decisions of a few owners of companies.'

McIlroy is at his strongest when debunking his opponents' arguments. However, his pamphlet contains some serious weaknesses as well.

The most obvious is that he is prone to conspiracy theories as his opponents, though in a different way. Far too much is made of the People's Economic Program as the "reuniting in a vital political project of the two biggest parties of Australian Stalinism", the CPA and SPA — and even of their experience in the past as 'socialism in one country', or, closer to home, as 'the Australian' road to socialism."

Behind the PEP lie the politics of populism and nationalism, as manifested in the Australian labour movement generally. With the development of economic crisis in Australia, the demagogue in the labour bureaucracy has begun to play on these themes. The

Nor is he right to say that.

"Behind the PEP lies the basic Stalinist philosophy of nationalism — expressed in the past as 'socialism in one country', or, closer to home, as 'the Australian' road to socialism."

Behind the PEP lie the politics of populism and nationalism, as manifested in the Australian labour movement generally. With the development of economic crisis in Australia, the demagogue in the labour bureaucracy has begun to play on these themes. The

Australia as it is today. Australia also functions as a local spearhead for the big imperialists. In colonial times, it was Queensland which dragged the British into Papua. More recently, the Australian government often showed itself more hawkish than the Americans in Vietnam. On the economic level, Bruce McFarlane has described how Australian imperialism in the South Pacific operates as a "spring-board" for the bigger imperialist powers.

In other words, Australia occupies a particular position in the imperialist system: a position distinct from that of the great powers, one which has its roots in the country's colonial origins, and which is connected to the role played by foreign capital.

Jim McIlroy fails to deal with these problems, and his argument is weakened as a result. Countless sincere militants are impressed with *Australia Uprooted* because it appears to answer their questions about the obvious "colonial" aspects of the Australian economy.

Tom O'Lincoln

various Communist parties are simply jumping on the bandwagon.

Another weakness is perhaps more important, especially as it has been shared by many on the Left, including the US.

The Maoist argument, shared to greater or lesser degree by other nationalists, is that Australia is a colony much like the Philippines or Thailand. Therefore, they argue that Australian nationalism is progressive, and a national struggle against US imperialism a necessity. The response of many on the left has been simply to invert the Maoist argument.

Australia is not a colony but an imperialist power, the argument goes, not different in essence from Britain or even the US itself. McIlroy writes:

"The most basic proposition which must be understood by socialists is anyone wishing to defend the interests of the working people in this country is that Australia is an imperialist power in its own right — albeit on a minor scale compared to the United States or even Japan." (Emphasis in original.)

This argument appears to many to fly in the face of their experience. Can't it be true that the multinationals are very powerful, and doesn't America dominate the "Free World"? Can't the imperialist but powerful pressures to bear on Canberra, and have a great impact on the local economy?

While McIlroy's basic position is correct, it needs some correction in detail. There was a time when Australia was most certainly a colony. Yet even then Australian nationalism had a reactionary dynamic. This was true in several ways.

Australia is a white settler state in Asia. From the beginning, nationalism meant reinforcing the privileges of the white population at the expense of the non-white people in and around Australia. This was as true of colonial

## Southern Africa after Soweto

ALEX CALLINICOS AND JOHN ROGERS



### South Africa

Southern Africa After Soweto

by John Rogers and Alex Callinicos, London, 1977, Pluto Press, \$5.00

This book is sure to be controversial, but it is sorely needed. For too long the discussion on the left over Southern Africa has been dominated by liberal nationalist and pseudo-marxist ideas. Rogers and Callinicos have attempted to come to grips with the central features of capitalism and imperialism in Southern Africa and the nature of the black resistance. In the process they dispel many illusions which have been built up over the years.

Most liberal and some marxist critics of the Apartheid regime believe that there is a conflict between the capitalist organisation of the South African economy and the Apartheid system. The South African Communist Party goes as far as arguing that: "A new type of colonialism was developed, in which the oppressing white nation occupied the same territory as the oppressed people themselves and lived side by side with them."

Callinicos and Rogers expose the basic fallacy in these arguments. Far from being some traditional development of Africanism, Apartheid is central to the maintenance and development of South African capitalism.

The major sectors of South African capitalism — the mines and import-consuming consumer goods industries — are labour intensive. Thus industry is not in a position to grant large wage increases to the black working class.

At the same time the white manual and white collar workers, who provide the Nationalist Party with its base, have a vested interest in job reservation because of the huge wage differentials they enjoy as a result of it.

This leads to the basic contradiction of the South African economy.

Apartheid, by atomising the black working class, has kept wages down and led to the development of an advanced capitalist economy. However, to further increase productivity and improve its competitive position, South African capitalism must raise black wages to increase skills and job motivation. But, if wages are to be raised, they must be raised in line with productivity. Otherwise South Africa will price itself out of the world market.

How to break this vicious circle is the problem confronting the Vorster regime. It is the basis for all the talk about domestic detente, and the development of a real detente with black regimes such as Kaunda's in Zambia and Nyere's in Tanzania.

Pretoria hopes to open up new markets in the black states. But that will not solve the problem. Increased amounts of western capital and technology are needed to modernise industry. And these are increasingly difficult to obtain.

At the same time, increased productivity will lead to rising black unemployment. Already in Soweto black unemployment has reached 50 percent. The implications for the youth rebellion are obvious.

To resolve the crisis means the destruction of the Apartheid regime itself. Callinicos and Rogers argue that only one

force can accomplish that — the black working class.

The South African Communist Party (SACP) was once committed to a perspective of black working class revolt. Unfortunately, the base which the SACP developed in the black working class was dissipated by the twists and turns of the late twenties, which the party carried out under the influence of the Stalin regime in Moscow.

Today the SACP sees the struggle as an anti-colonial one which demands the unity of all oppressed groups and classes. The next stage is therefore "national independence and the destruction of white supremacy". Any more radical social demands would scare off groups like the African commercial class, whose development as a full blown class is blocked by the Apartheid system.

The existing black nationalist organisations also offer no road forward. The conclusion offered by Callinicos and Rogers speaks for itself:

"It is certain that liberation will be the product of a long and bitter struggle, and the central factor in that struggle will be the black working class. Whether a revolution does take place cannot be left to the spontaneous working of events. It will require the activity of numerous revolutionary socialists to translate the hatred of apartheid shown during the black youth rebellion of 1976 into the struggle for power within the factories."

"As yet none of the existing organisations of the black resistance see that task as central — to build a mass revolutionary workers' party independent of the nationalist organisations."

Nor was the fighting confined to isolated mining villages. In Liverpool during the transport strike of 1911, a mass demonstration of 80,000 workers was attacked by police and troops. The Catholic and Protestant workers, well trained by years of sectar-

## British Syndicalism

BRITISH SYNDICALISM 1900-1914 by Bob Holton, London, Pluto Press, 1976, \$7.40

"We believe in the Daily Herald, Jim Larkin, and Direct Action."

— West Bromwich branch, Workers' Union, 1914.

After 1900 British capitalism entered a long period of stagnation in the face of increased foreign competition. Wage levels were forced down, particularly in the declining industries — mining and railways.

Mass unrest, which developed as the previous long-term trend of rising wage levels was checked, led to pressure on orthodox trade unionism and parliamentary labourism. When these traditional avenues failed to bring improvements many militant workers turned to the new direct action philosophy of syndicalism.

The syndicalists rejected parliamentary politics and stood for the overthrow of capitalism by the general strike, leading to workers' control over the economy and society.

Industrial militancy reached its height in the years 1910-1914 with a series of violent strikes in the mining, transport, engineering and building industries. One of the most famous confrontations was at Tonnypandy, where miners bent back from the mine by police protecting the scab labour, expressed their bitterness and frustration by looting shops in the village.

Nor was the fighting confined to isolated mining villages. In Liverpool during the transport strike of 1911, a mass demonstration of 80,000 workers was attacked by police and troops. The Catholic and Protestant workers, well trained by years of sectar-

ian street fighting, counter-attacked: "A hostile crowd rushed out from certain side streets. They were armed with iron bars with which they attacked the escort, at the same time pelting the troops with stones and other missiles."

"The crowd erected barbed wire entanglements on a scientific scale and entrenched themselves behind barricades and gabions, and other domestic appliances."

In these favourable circumstances, the first major syndicalist organisation was established in 1910: the Education Syndicalist League (ISEL). Tom Mann, pioneer trade union organiser, was the driving force behind the ISEL's formation.

However by the autumn of 1913 ISEL was being torn apart by an internal fight between those who argued that syndicalists should aim to reconstruct existing unions along revolutionary lines, and the dual unionists who called for the setting up of entirely new revolutionary unions. The forces hostile to dual unionism, including Mann, eventually rallied around the Industrial Democracy League.

There also existed a number of smaller anarcho-syndicalist groups and large numbers of militant workers sympathetic to syndicalism grouped around the workers' paper, the Daily Herald.

Another important current of industrial unionism was associated with the militant Irish trade union leaders James Connolly and Jim Larkin. During the Dublin-wide lockout of 1913, Larkin toured Britain campaigning for sympathetic action.

He attracted massive crowds of workers to his meetings, but rank and file solidarity actions were sabotaged by the British trade union leaders. Larkin argued that "A great many of the trade union leaders seemed to think they existed to apologise for capitalism, to try and stop strikes and smooth diffi-

culties over, to put a healing salve in the wounds and bandages, and to heal it for a while. But you cannot heal this disease with a salve. It is a root remedy that you must apply."

The syndicalists did much to develop working class militancy, and they were far from being apolitical anarchists. In fact they had a quite sophisticated analysis of the capitalist state and saw the need to replace it with a workers' state.

However, as Holton points out, they glossed over two important issues. The first was the problem of how trade unions might avoid structural tendencies to incorporation within capitalism as permanent bargaining agents and mediators of conflict, trends which would undermine their revolutionary potential. Secondly, there was the question of how the ultimate revolutionary overthrow of capitalism was to be achieved in the face of capitalist resistance, in particular resistance by the state.

Many of the syndicalist militants were to confront these problems in the postwar years when they made an important contribution to establish the Communist Party of Great Britain.

Mick Armstrong.

## Union is Strength

In Unions is Strength — A History of Trade Unions in Australia 1788-1974

by Ian Turner, Nelson, 1976, \$3.95

Trade Unions in Australia — Who runs them, who belongs to them — their politics, their power.

By Ross Martin, Pelican, \$2.10

Australian trade unionists are inheritors of a long and militant tradition. An understanding of their history, and the

legalistic industrial system they operate in, is invaluable for revolutionaries.

Australian unionism was born with the gold rush of the 1850's, which created an expanding market for consumer goods.

It was marked by the formation of craft unions of skilled workers such as stonemasons, engineers (metalworkers) and bootmakers. Their aim was to secure and maintain uniform wage rates and provide social insurance for their members in case of unemployment and sickness.

In the 1870's and particularly the 1880's the organizing of unskilled workers — "New Unionism" — added a new dimension.

Miners at Bendigo in 1872 formed their first union whose objects were the 8-hour day, resistance to wage cuts, securing safety legislation — and of Chinese. In 1874, 12 local Victorian unions formed the Amalgamated Miners' Association, and in 1884 it became the first national union uniting all miners.

The AMA and the Shearers' Union differed from craft unions in enrolling all workers in their industry, low dues scale, no social insurance benefit and greater militancy around wages and conditions.

The big strikes of the 1890's were a turning point for the Labor movement.

Australia's economy then as now was dependent on primary production for export — 1890's pastoral, now mineral. In the late 1880's world trade contracted, land prices and agriculture slumped in Australia, and profits fell. The pastoralists were compelled to confront Labor or perish. They didn't perish.

The strikes began with the maritime officers attempting to affiliate to the Victorian Trades Hall Council. It embroiled the nation in a class war for which the unions' slogan was "right to unionism".

and the employers' slogan "freedom of contract".

The strikes were defeated and unions crippled. Turner tries to show that the subsequent formation of the Labor Party was a product of defeat on the economic front.

Prior to the 1890's strikes, unions abhorred the idea of compulsory arbitration — they were on the winning side. By 1895 compulsory arbitration was not merely a Labor Party platform but a creed.

The emergence of "political labor" was part of the process of accommodation to the middle class on the part of trade union leaders.

To play the parliamentary game — "direct representation of labor" — was to abide by the "law and order" of middle class society and win respectability for the labor movement. In short, to avoid industrial militancy and confrontation — the seeming lesson of the Great Strikes.

Arbitration was also associated with the rise of the industrial bourgeoisie in Australia. Through a combination of arbitration, protection and White Australia, capital sought to tie labor to the defence of manufacturing — an ancestor of today's People's Economic Program.

Turner's book is a useful introduction to the events and struggles of the labor movement, but there are definite weak spots, and his analysis is often superficial.

The conscription battles of 1916 are scantly treated, and Turner races through the struggles for the One Big Union, which occurred at the high tide of industrial militancy after World War I. The OBU movement laid the basis for the formation of the Communist Party. His treatment of the 1930's and World War II are equally thin. And after the late 1940's, the account of the labor movement becomes hazier with intrusions of Turner's own impressionistic reflections.

Turner dodges a number of issues. For

example his treatment of the 1989 equal pay decision by the Arbitration Commission. He says the decision realized "the principle, long urged by unions for female wages, of equal pay for equal work." Not only does he fail to analyse changes in the workforce and Australian capitalism that prompted the decision, but he ignores the unions' historical fear of women workers undercutting male rates. This fear was the impetus behind the unions support for equal pay.

In 1933 a Victorian Select Committee inquiring into the "Shorter Working Week", supported by the Victorian Trades Hall Council, had as one of its main aims to assess "the effect of the increasing ratio of femininity in industry on male employment and whether equal pay should be introduced in many industries." For unions it was not principle but their male members' fear of redundancy which prompted support for equal pay.

Martin's book is concerned to give a brief working account of unions and how they function in Australian society today. He examines the legal framework in which unions operate. The framework is complex indeed, with various Federal and State industrial laws and awards which are often exploited for tactical points by the unions.

The Federal Government is limited by the constitution to conciliation and arbitration. This indicates the significance of the proposed Industrial Relations Bureau. In providing for the enforcement of awards, it comes close to breaching this clause. State governments are not bound by this limitation. Hence those draconian State "emergency", "transport" and "vital projects" laws.

Besides the legal framework, Martin attempts a sociological breakdown of union structures, members, officials versus activists, and the practical ways in which unions bargain and negotiate awards.

His introductory background chapter in 22 pages is valuable not for any depth but for its succinct sketches of history.

Neither book would be recommended if it were not for the dismal lack of contemporary material on trade unions. If you haven't read much on Australian unions and the operation of the arbitration system, these two books provide a useful introduction.

Steve Morgan.

## Marx & Art

The Philosophy of Art of Karl Marx. Mikhail Lifshitz. London 1973 Pluto Press. \$6.60.

IN Stalin's Russia, a profound grasp of Marx's thought could be hazardous to your health. Perhaps it was only by confining himself to a comparatively "safe" topic, such as the development of Marx's aesthetic views, that someone as sophisticated as Mikhail Lifshitz survived to write this magnificent book.

It is true that you will occasionally, when the stalinist party line intrudes. But in general, Lifshitz has provided a very useful study of Marx's ideas on literature and art.

It is probably not a book for beginner, despite the clear style. For Marx's early ideas are set firmly against the background of German philosophical and literary history. His later ideas are studied in connection with Capital and other difficult texts.

Consequently, you might wish to read a more popular introduction before you tackle Lifshitz. But tackle him you must. The great "aesthetic period" of bourgeois culture took place before the two great revolutions —

political in France, industrial in Britain — which led to the historic triumph of the capitalist class. Shakespeare, Voltaire, Goethe were all the products of pre-industrial society.

With the final triumph of capitalism, art and literature entered a permanent state of crisis:

*"In the course of time, the attitude of the bourgeoisie toward art became frankly practical. Problems of art were everywhere bound up with problems of business and politics; the quest for aesthetic freedom was followed by the struggle for laissez-faire and protective tariffs. And once the bourgeoisie attained political dominance, problems of history and art lost all public significance, and became the property of a narrow circle of scholars."*

Artists sensed long before Marx that "the bourgeoisie has stripped of its halo every occupation hitherto honoured and looked up to with reverent awe," and that "all that is holy is profaned."

It was Hegel who summed up the crisis of art in his *Aesthetics*. By contrast with the ancient world where "the iron bond of necessity was still garlanded with roses",

wrote Hegel, modern capitalism was stripping the roses away. This, however, was inevitable. History was moving triumphantly toward the rule of absolute knowledge. Art, as a non-rational form of knowledge, was inferior and must wither.

Marx took over much of this view, but removed the pessimism. Unlike Hegel, who saw in the contemporary state the final goal of history, Marx considered the society of his time to be as transitory as those that had gone before. It followed that the crisis of art could also be overcome.

It was indeed necessary to strip away the roses from the iron bonds of

necessity. But unlike Hegel, Marx did not mean to accept the bonds themselves.

But "The demand to abandon illusions about (ones) condition is a demand to abandon a condition which requires illusions . . . Criticism has plucked imaginary flowers from the chain, not so that man will wear the chain that is without fantasy or consolation, but so that he will throw it off and pluck the living flower."

Capitalism, said Marx, was hostile to art because it reduced everything to the status of a commodity:

*"The conception of Nature which prevails under the rule of private property and of money is the practical degradation of Nature . . . contempt for theory, for art, for history, for man . . . is the real conscious standpoint and virtue of the moneyed man."*

The crisis of art is inevitable under capitalism. But how is it to be overcome? The traditional Stalinist approach is to try to create a "proletarian literature." Lifshitz, in some of the weakest parts of the book, attempts to find support for this view in Marx.

Marx is said to "show the way out of the crisis" in the

"identification of the artist's individuality with a definite political principle, in the open and vigorously stressed accent and dialect of a political party . . . By

means of the class struggle it shows the way to a classless culture; by means of the development of art inspired by the broad and profound worldview of the proletariat, it leads to the abolition of the disparity between social and artistic development . . . This is the ultimate meaning of all of Marx's comments upon liter-

ature and art; this is his historical bequest."

Precious little evidence is offered for this claim. It may well be that the best possible stance for the artist today is one which takes sides. But that is by no means to say that the taking sides resolves the crisis of art — any more than it resolves the crisis of capitalism as a whole. The struggle has yet to be won, and the world transformed.

The proletariat, burdened with long hours of labour and denied access to education, cannot create a brilliant art. Only with the transition to communism — which means precisely the dissolution of all classes, including the proletariat — can a new golden age of art begin.

"Proletarian art" can therefore mean little more than a didactic art of mediocre quality. And of course, that is all that it has ever amounted to in the USSR.

Lifshitz should know better — and perhaps he did. For in concluding, he quotes Marx himself on this very point. Only communist society, he writes in which "the associated producers regulate their interchange with nature rationally, bring it under their common control, instead of being ruled by it as by some blind power", can establish the material basis for "the development of human power which is its own end, the true realm of freedom". " . . . the shortening of the working day is its fundamental premise."

It would be petty to overemphasise the stalinist distortions. The thrust of the book is correct, the writing exciting. The sense of Marx's view is captured in the final lines:

"Art is dead! LONG LIVE ART! This is the slogan of Marx's aesthetics."

Tom O'Lincoln



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