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# INTERNATIONAL 16

For Workers Power Self-Management and Socialism



SEP 1970

## The Oil Dispute

and current  
perspectives in  
the Australian  
Labour  
Movement



Revolutionary Crisis in the U.S.A.  
Right-Wing Social Democracy in Austria

## Leon Trotsky: 30 Years After

## THE NATIONAL THREE-HOUR POLITICAL STRIKE

The reaction of the average worker to three-hour strike (25th August) against the budget recently brought down by the Gorton capitalist government was : "But what good will a 3-hour strike do?"

There was large-scale loyalty to the A.C.T.U. decision but the workers realised they were not to be confronted with proposals for continuing action, but rather that the strike was to be an isolated gesture, and so they stayed away in droves from the meetings.

And so, given the calibre of the dominating trade union officialdom, both right and "left", it was inevitable that the essential motivation for the decision would be confirmed by the utterances of the official speakers- a build-up for the Labor parliamentary opposition as the alternative government.

Nevertheless, the A.C.T.U. decision represented a forward development. It underwrote the validity of industrial action to achieve political objectives, the road of self-reliance the workers will increasingly find to be the only viable one as they experience the limitations of governments essentially conformist with the social status quo.

Had the 3-hour strike been a serious beginning of action to reject the budget and get rid of the Gorton government the workers would have been called to meetings, specific demands in regard to the budget enunciated and the next action determined by the mass meetings in the event that there was no favourable government reaction to the demands within a stated time.

The task is to develop a leadership dedicated to workers' reliance on their own self-action. The valid principle given an airing on 25th August will be advanced by the workers in the future.

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## THE CASE OF COMRADE MEDVEDEV

The case involving ZHORES MEDVEDEV, the famous Soviet biologist, who was interned in an asylum in accordance with the usual charming method the benighted Kremlin bureaucracy uses to punish and demoralise those intellectuals who oppose its arbitrary and repressive rule, has had a significant denouement. Medvedev has been freed, following protests from scientists, joined by the fringe group of dissident intellectuals, led by SOLZHENITSYN.

What remains to be seen is whether this alliance will last and thus reinforce the new cultural and political opposition which is emerging in the U.S.S.R. and which is essentially struggling at present for democratisation, for respect of fundamental human rights and Soviet legality.

All indications are that this alliance of the forces of this opposition will be realised, as scattered and limited as they are at present, and as isolated as they apparently still are from the proletarian masses of the country.

As well it needs to be reported that the last number of the clandestine publication "Chronicle of Current Events" revealed surprising arrests among the officers of the Baltic Fleet.

This report relates that one of them, Gennadi GAVRILOV, was tried and executed. This officer was serving a year ago in an atomic submarine, in which he had created a political group "Union for Political Rights".

In a pamphlet that GAVRILOV put out in "Samizdat" form in 1968, he argued the need to guarantee and enlarge political and intellectual liberties in the framework of a socialist regime and assigned to the Communist Party the role of "educating, not instructing as a boss and of guiding instead of reprimanding." He also condemned the invasion of Czechoslovakia and declared his solidarity with the other protestors, Litvinov, Grigorenko etc.... GAVRILOV and several of his comrades were arrested at Tallin and Kaliningrad, two Soviet naval bases in the Baltic. It is significant that the democratic movement of the new opposition even wins young members of the Army to its ranks.

Thus slowly but surely conditions are maturing which will lead in the U.S.S.R. to a "Moscow Spring". But how many more times will we record crimes committed by the high bureaucracy of the privileged strata in the Party and the Army, as they struggle desperately against the course of History.

June 1970.

(From Sous Le Drapeau du Socialisme, No. 53)

## THE OIL DISPUTE and current perspectives

THE OUTCOME OF THE RECENT STRIKE OF THE OIL INDUSTRY MAINTENANCE WORKERS IMPOSES THE NEED FOR A CRITICAL EXAMINATION OF POLICY PERSPECTIVES AND OBJECTIVES CONFRONTING THE AUSTRALIAN UNION MOVEMENT.

The pressure of the strike induced an improvement on the employers' original settlement offer and comrade Hawke, ACTU President, recommended a return to work and reference of the issues to the Arbitration Commission, where he would argue for a reversal of the Commission's four-year-old judgment which rejected the concept of a direct relationship between wages and an individual employer's profitability and productivity.

Comrade Carmichael of the AEU contested the validity of an approach to the Arbitration Commission and proposed acceptance of the employers' terms at this time with a perspective of a future resumption of the struggle.

In the event, comrade Hawke's recommendation was adopted by a very narrow majority (271-258). A third proposal to fight on for achievement of the strike demands in full was defeated.

As "The Australian" of August 5 points out, the outcome of the Commission hearing is by no means cut-and-dried.

The positive advantages for the employers of a revision of its previous position would be the generation of a ruthless pressure on the individual employers to innovate, modernise and raise productivity and so attract skilled workers from less efficient, less productive and less profitable industries. Up to now, the Commission "simply strikes an average over the good, bad and indifferent components of the economy and produces a result that affects them all equally."

Secondly, the proposed industry-to-industry yardstick would tend to create an amalgam of employer and worker --- a kind of body corporate in the more profitable establishments. For instance, a genuine examination of the profitability might indicate a doubling of the workers' wages in a given establishment, inducing an abstentionist attitude in relation to the common front of workers' struggle, because of their greatly superior position compared to the outsiders.

Comrade Hawke does not answer the employers' pertinent query as to the effect of the logical extension of his argument to the wage claims of workers in less profitable industries.

Of course, he might well assert to the movement that these latter will hardly remain quiescent when their counterparts are elevated to a much superior wage status. Nevertheless, the level and efficacy of the

action stemming from this discontent should not be envisaged too optimistically. Because under the present more egalitarian wage dispensation, it is the workers in the more profitable industries who tend to be the vanguard in establishing new wage norms, benefiting also the industrially weaker sectors (N.B. - less than 50% of workers are unionised) --- and the former will no longer feel under the same pressure to direct action.

The more positive implication of comrade Hawke's initiative, and the one of real concern to the boss, is the prospect of opening the books, of abolition of "business secrets", of determining the actual share of the national income wolfed by the individual capitalist firm. Real achievement of this objective, with its revelation to the masses of the actual set-up in capitalist society would be the first big step towards workers' control of industry.

Here a warning is pertinent. No office-holder of the capitalist state is in a position to carry out this work against the opposition and sabotage of big business. To break the resistance of the exploiters, the mass pressure of the workingclass is necessary. Essentially, this will be expressed through factory committees, calling in (as consultants but not as "technocrats") specialists sincerely devoted to the people; accountants, statisticians, engineers, scientists, etc. And so, if the Commission adopts the new criterion, we may be sure it will seriously modify the exhaustive investigation of company books required (without necessarily excluding substantial wage increases in the given case.)

Comrade Hawke reiterates that his objective is "fair shares", inferentially involving recognition that capitalists play a necessary role in society and must get their "fair share" of social production. Consequently, comrade Hawke is under no compulsion to operate policies leading to and inconsistent with the socialist objective, in which capitalists have no role, but may opt for equivocal policies promising sectional gains and of seeming validity in the short term.

On the other hand, socialists must necessarily be preoccupied with enunciation of policies of relevance today, consistent with the promotion of workers' unity in struggle, and also in harmony with the kind of set-up appropriate to the future non-capitalist society.

They may well be guided by the programmatic criteria enunciated by the great German socialist, Rosa Luxembourg:

"In actuality our whole programme would be a miserable scrap of paper if it were not capable of serving us for all eventualities and in every moment of the struggle, and to serve us by virtue of its being practised and not by its being shelved. If our programme is the formulation of the historical development of society from capitalism to socialism, then obviously it must formulate also all the transitional phases of this development, it must contain them in their fundamental features, and therefore also be able to indicate to the proletariat the corresponding

attitude in the sense of approaching closer to socialism in every given moment. From this it follows that for the proletariat there cannot be, in general, a single moment when it would be compelled to leave its programme in the lurch, or in which it could be left in the lurch by this programme." (our emphasis)

This attitude of "approaching closer to socialism in every given moment" is not served by fostering a big wage differentiation between workers in different industries, tending to divorce sectors from the common struggle. This would not be the norm in a genuinely socialist-oriented society. Rather the norm will be the highest reasonably egalitarian level of "wages" (from industry to industry) appropriate to the economy's development and productivity, while the "super-profits" of the high peaks of the economy would be siphoned-off to the social services, for instance. So the projected innovation is in one of its aspects, out of harmony with the position aimed for in a socialist-oriented society.

Comrade Carmichael was concerned to combat the fostering of illusions in what is essentially an instrument of the capitalist state, paraded as standing impartially between the contending classes --- the Arbitration Commission.

This is laudable. But the objective factor, the present level of political consciousness of the working class, does not permit him to operate as a union official in consistent disregard of the Commission. His subjective approach is on a par with, say, calling for immediate abolition of another agency of capitalist rule, parliament, or even of capitalism itself. It stems from a political education in the anti-Marxist school of Stalinism which, since the 1929-33 economic crisis, has taught the imminence of a new major crisis which would bring one facet of the objective factor --- mass consciousness --- up to the level of the subjective factor.

We leave aside here the long years of false indoctrination of the left wing which has contributed so weightily to the present low level of political consciousness. What must be recognised is the evidence that in relatively euphoric conditions inducing union action, even though essentially within a reformist integument, the Commission has responded to the pressure and got "with it" to the extent of bringing down decisions surprising to the left wing and appalling to a backward sector of capitalists incapable of appreciating its competent performance in the present situation as an agency of capitalist predominance. The fact is that this Australian capitalism, for so long the beneficiary of fortuitous circumstances, has not yet exhausted its capacity for yielding reforms, either through the agency of the Commission or of Parliament. The illusions of the masses in these agencies are far from being dissipated.

The real situation is revealed by the panic that seizes the left union officials when threatened with de-registration, and their campaigns in opposition to this threat.

As we have said, the positive factor in comrade Hawke's initiative is that he has authoritatively enunciated as eminently valid the need to open the books of Big Business. Now having been launched, the force of this idea will not be eliminated should the Commission reject it. Henceforth, it will be an essential objective in the workers' struggle except that the vehicle for its implementation (and the essential one) will be the shop committee uniting all the workers. Such will be the case also should the Commission favour the alternative --- adoption of the principle, but emasculated or restricted in its scope.

On the other hand, the deleterious aspect of his initiative, to the extent it is successful, should be appreciated by the left wing. There would be no justification for accepting as valid a low wage level for workers in not-so-profitable industries.

The workers are not interested in the book-keeping of individual bankrupts or semi-bankrupts, but in the account ledgers of all exploiters as a whole. The workers cannot and do not wish to accommodate the level of their living conditions to the exigencies of individual capitalists, themselves victims of their own regime. The task is one of reorganising the whole system of production and distribution on a more dignified and workable basis.

This approach necessarily involves development of workers' control in industry. And the workers in the public sector of the economy, the railways for instance, which subsidise the private sector through freight and other concessions, have every justification in demanding parity in wages and conditions. The degree of their success, of course, will depend on the relationship of forces in the struggle, rather than the most competent advocacy.

It must be reiterated that the realistic appreciation above of the present situation in no way detracts from the propriety and necessity to prosecute the class struggle to the maximum possible extent beyond the limits of reformist strategy and to expose the essential nature of the Commission.

24 August 1970

POSTSCRIPT (31st August, 1970)

Since the above was written, and before comrade Hawke had begun his submissions bearing on profitability and productivity, the Commission, on 27th August made an unusual move.

It adjourned the hearing and referred the matter to conciliation - a secret conference of representatives of the unions and the 25 oil companies presided over by three of the Commission's members.

It ordered that no statement was to be made to the press unless a statement was decided upon and recorded in the private conference. This obviously meant no statement at all unless agreement were reached.

Why conciliation at that stage? There was no existing, nor threatened strike.

It seems clear that the last thing the Commission wants is to have to make a decision on profitability and productivity as a valid yardstick in wage fixation.

But in 1970 it would recognise the difficulty of retaining any show of impartiality were it to reject this yardstick.

Yet it shudders at the thought of an endorsement of "Open the Books" to reveal the secrets of Big Business book-keeping.

Surely, the oil bosses, seeing its difficulty, would come to its rescue by offering an acceptable wage figure and so settle the oil dispute without the need to proceed further with the case!

We do not know what they offered or what the union officials were prepared to settle for at the conference in regard to the demand for doubling the wage or 5 weeks pay for 4 weeks holiday.

But it would seem the boss would not play ball, and so the issue is back in the Commission's lap after 3 sessions totalling 2 hours, with Judge Moore stating: "... we will be available to resume this conference at any time if asked to do so or, of course, if we think it is desirable to do so."

If the oil bosses remain uncooperative, in a possible further conference or without one, it is on the cards that the Commission will seek to resolve the dispute by a fairly substantial wage rise, which given the present level of the workers' political consciousness, would likely be accepted in preference to strike action for a real opening of the books for an inspection by workers' representatives.

Opening the books has been put on the agenda. The workers will not achieve this most important yet eminently reasonable and logical demand in its true sense from the Commission.

Rather this achievement waits upon a higher political awareness bringing the class struggle to a higher level.

## AUSTRIA: a new political situation

THE PARLIAMENTARY ELECTIONS OF MARCH 1ST 1970 RESULTED IN THE AUSTRIAN SOCIALIST PARTY REACHING GOVERNMENT LEADERSHIP.

HEREUNDER IS AN EXAMINATION OF THE REASONS WHICH PRODUCED THE SWING, THE NATURE OF THE PARTY ITSELF AND ITS ORIENTATION.

HAVING REGARD TO THE TREND TOWARDS LABOR IN AUSTRALIA WE BELIEVE REVOLUTIONARIES WILL FIND FOOD FOR SERIOUS THOUGHT IN A STUDY OF THIS DOCUMENT --- APPERTAINING TO THE SEARCH FOR A VIABLE ORIENTATION --- COVERING AS IT DOES RECOGNITION THAT THE ASCENDANCY OF A LIBERAL LABOR MASS PARTY REPRESENTS A FORWARD AND INEVITABLE STAGE OF THE EVOLUTION OF THE WORKING CLASS MOVEMENT, THE NEED FOR NON-SECTARIAN INTEGRATION AND THE ENVISAGING OF ACHIEVEMENT OF A HIGHER WORKING CLASS POLITICAL LEVEL THROUGH THE INEVITABLE JUNCTURE OF A SIGNIFICANT SECTOR OF THE MOVEMENT WITH REVOLUTIONARY CADRES TEMPERED BY PRINCIPLED ENTRIST ACTIVITY (ITS ANTI- OPPORTUNISM CONSCIENCE PROVIDED BY AN INDEPENDENT SECTOR), AND CONSISTENTLY ORIENTATED TO WORKERS' SELF-MANAGEMENT.

---THE EDITORS

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The outcome of the parliamentary elections of 1st March 1970, has produced a political situation not existing since 1918: This is the first time in half a century that the Austrian Socialist Party (S.P.O.) has reached government leadership as majority party, on the basis of an electoral success. Obviously it is necessary to exclude the periods when, immediately after the debacles of 1918 and 1945, the S.P.O. took in hand leadership of the state so as to extricate the capitalist regime from its crisis.

Thus the "Reds" have beaten the "Blacks" with the following electoral results:

Socialist Party (S.P.O.): 48.22%; +306,076 votes; 81 seats.  
Popular Party (O.V.P.): 44.89%; -113,019 votes; 79 seats.

The other Austrian bourgeois party, the Liberal Party (F.P.O.) obtained 5.4% of the votes and 5 seats, and the Austrian Communist Party 0.4% and no seat.

The question that arises is to know what this landslide is due to, which has brought the S.P.O. to government leadership, relegating the O.V.P., the most powerful bourgeois party, which had headed the government unchallenged since 1966, to second place.

### Reasons for the Success of the S.P.O.

Perhaps the first fact to be noted is that this electoral victory of the S.P.O. has come about in a period which is in no sense one of economic weakness, but on the contrary, is that of an incontestably favourable economic situation, particularly in regard to exports. The bourgeoisie undoubtedly expected to benefit from this. The opposite occurred. The class policy of the O.V.P., which had held power alone, had led to a spectacular rise in prices, in particular of meat and coal (a few weeks before the election.) In the struggle the year before against nationalisation, the O.V.P. government had more or less openly let it be seen where it was heading, in the direction of re-privatisation that is to say, destruction of nationalisation. This bourgeois policy consolidated the traditional electoral base of the S.P.O. amongst the workers. Tens of thousands, however, still voted for the O.V.P., although it cared nothing for their interests. This is explained by the S.P.O. never having put forward an energetic and active policy to defend their interests, contenting itself with parliamentary actions, always careful not to pass from "opposition to obstruction".

But the lion's share in the increase of the S.P.O. votes came from the electorate in the agrarian areas and the communes where the population enjoys comparatively high incomes. This means that for the first time the S.P.O. has succeeded in penetrating petty bourgeois and even bourgeois strata, in decisive proportions in elections. This progress is due in particular to its transformation into a liberal workers' party, devoid of ideology. Because of the absence of a working class revolutionary tendency this mutation however, still assures it of its traditional base among the workers, but at the same time allows it to penetrate the petty bourgeois and even bourgeois electoral strata to a greater degree.

In the agrarian areas, the S.P.O. was able to make use of the growing opposition to the policies of the O.V.P., oriented as they were towards the interests of the large landowners and the large peasants. It allied itself with the General Association of Peasants which had materialised as an opposition to the peasant organisation of the O.V.P. and had organised the peasant demonstration in Vienna in the spring of 1969.

The success of the S.P.O. in the communes where the population enjoys a fairly high average income is explained by the fact that it reached the stratum of salaried workers with fairly substantial earnings, who economically belong to the proletariat while on the level of political consciousness they have hitherto followed the bourgeoisie. This phenomenon is due mainly to the programmatic campaign of the S.P.O., initiative for which came from its president, Kreisky. In a series of commissions in which bourgeois specialists took part various liberal type programmes were elaborated, which far from having any socialist

ideology, traced the outline of a future S.P.O. government. This axis is in the main constituted by the economic programme the touchstone of which is the supercession of the agglomeration. Austrian capitalism has been up to now --- supercession by a modern phase. The much-praised measures are technocratic reforms which have long been necessary from a capitalist point of view, particularly in the perspective of a closer link with the Common Market.

Another factor in the success of the S.P.O. was the introduction of the voting age of 19 years. The young electors who were voting for the first time gave their preference in an overwhelming majority to the S.P.O. which had promised them reduction in the length of military service by a third.

The crisis in the Catholic Church must also be noted, which had a liberating effect on petty bourgeois and bourgeois strata in town and country, thus favouring the S.P.O. There should also be added the consequences of the cases of corruption involving the O.V.P.

Finally, O.V.P. propaganda also assisted the S.P.O. Outrageous proposals tainted with anti-Semitism repelled a good number of electors and Austrian petty bourgeois strata are now not really frightened by the social democrats since they have seen the coalition between the German Social Democratic Party and the German Liberal Party in operation from last autumn. But the O.V.P. never stopped brandishing the "red" scarecrow. (1)

The electoral victory of the S.P.O. was the continuation of a tendency which had appeared in earlier years in partial elections (for regional assemblies, etc.) The masses have learnt lessons since 1966, above all that the "modern productive society" promised by former O.V.P. chancellor Klaus for the seventies was appearing to be what it was in fact. It had become all too clear that some were to produce so that a minority could derive even greater profits.

#### The S.P.O. As Sole Ruling Party

Although emerging the victor from the elections, the S.P.O. obtained only a relative majority in parliament. In general observers thought that a "grand coalition" of the S.P.O. and the O.V.P., led by Kreisky, was to be formed. Such a coalition was also as much wanted by the S.P.O. leaders, who declared themselves ready to make compromises, as by the leaders of the O.V.P., in spite of the reservations of their younger elements, particularly the young leading functionaries of the party who supported a "cure by opposition".

The talks collapsed after seven weeks of negotiations between Kreisky and Withalm, the new O.V.P. President. Kreisky formed a minority socialist government with representatives of the S.P.O. and the unions. The reason for the failure of a coalition government derives from the fact that Withalm had decided to uphold capitalist privileges and interests without compromise. The O.V.P. did not accept any part of the S.P.O. programme, timorous as it was, and claimed complete equality with the S.P.O. in the government. Kreisky would have been paralysed. He

had realised that in order to uphold the victory of his party and not to lose ground in his electorate he had to maintain his programme of reforms. The breaking off of negotiations occurred when the social democrats refused to let the populists have the ministries of finance and national education.

Central to the reforms planned by Kreisky is a wave of industrialisation in economic policy, primarily in agrarian regions. Liberal democratic reforms are to be combined with this in education, the army (2), taxation, housing, etc. Material relief for the masses would have to be granted. Kreisky will prefer reforms which do not involve added financial burden for the state (3): pensions for 1971 will be increased by 7.1%, which is a withdrawal from electoral promises.

Kreisky wants to establish a permanent dialogue with the youth. "Young people must say what they want and we will say what we can do, now or later", he has declared. In an interview in Der Spiegel, he also explains to students "of the left" that they should involve themselves with the problems of the university and not of the workers, which proves that he sees a danger in the link between workers and students.

In the area of price rises the S.P.O. government is simply showing "the intention" of being willing to do something. Price rises during the first four months of 1970 amounted to 4.2%! Instead of taking energetic measures against big business and the middle men who are causing the price rises, Kreisky proclaims the greatest interest of the government to be in the continuance of the "work in common" in the parity commissions which have been so "fruitful" to date. If they have been that, it is certainly not for the working class whose wages still remain below the European level, with the exception, of course, of Spain and Portugal.

The trade unions declare that their position "in regard to the government depends solely upon what it intends to do in the workers' interests". (Benya, President of the Austrian trade union centre O.G.B., at the seventh union congress of commercial employees.) However, while the leadership of the O.G.B. claims to carry on an independent policy in regard to the government, it is not giving battle. Benya recalled the urgent demands that the O.G.B. laid down in January, 1970, amongst others, the struggle against price rises, elimination of the over-taxation of the workers, etc. But nothing has been done, the demands remain verbal.

On the question of the state apparatus, Kreisky has reached the stage of speaking about it in Parliament, declaring that all the high officials in the ministries belong to the "black" (bourgeois) parties. Kreisky knows no other method than to discuss with the high "black" bureaucracy instead of dispossessing it of power by getting rid of it, as the O.V.P. did for a decade in Lower Austria with the secondary teachers, favouring only "black" teachers and attacking "reds". If the S.P.O. does not employ the same method in the ministries today, the "blacks" will sabotage all the Kreisky government's initiatives. And

if the O.V.P. protests, the social democrats will have the task of disclosing its methods against the "reds". If needs be, they will have to summon the workers to demonstrate before the headquarters of the O.V.P. and to prevent the appearance of the populist press by strikes and occupations. But Kreisky simply wants to "discuss" with the black high bureaucrats from the ministries.

Globally, the S.P.O. policy may be defined as follows: not a proletarian class policy but a policy which at most takes into consideration the partial interests of the class. In exchange for these few advantages to the workingclass, Kreisky gives the bourgeoisie the assurance of "social peace" and the continuation of a policy of "social partners". The entry of the unions into the government is an additional assurance.

#### The Attitude of the Bourgeoisie

The result of the elections of 1st March aroused surprise, consternation and even a feeling of insecurity among the bourgeoisie. Naturally, the bourgeoisie know very well that the S.P.O. leading a coalition or even taking power alone would not affect the capitalist system. No "socialist" government has ever touched the two pillars of the system, which are private property and the bourgeois state apparatus responsible for defending it --- neither in 1918 nor in 1945, and no more in Austria than elsewhere. What the bourgeoisie fears is the electoral victory of the S.P.O., its position at the head of the government may have a vitalising effect on the broad masses, and above all the working-class may be made dynamic. Will Kreisky and Benya be prepared to retain, or strictly speaking, maintain major class movements within the framework of capitalism? The bourgeoisie wonders? It may be recalling the four years of opposition of the S.P.O. during which Austria was the country where the number of hours lost in strikes was the lowest in Europe. Certainly Kreisky and Benya cannot give absolute guarantees but the possibility of strengthening the state apparatus remains....

Although one wing of the employers would like to overthrow the Kreisky government, "reasonable" employers are in the majority: They do not like Kreisky but don't see the possibility of overthrowing it without danger, a danger which would come from the working class. In fact, the downfall of the S.P.O. government, if it occurred too soon, would not only mean new elections but could easily lead workers conscious of the provocations of the O.V.P., to extra-parliamentary actions which could involve the whole of the present system. It is possible that the bourgeoisie has understood this phenomenon, as is apparent in a declaration of the Industrialists' Association, in which the Association gives a chance to the Kreisky government.

But on the other hand, the bourgeoisie is confronted by the question of knowing whether any fall of the S.P.O. government which occurred later, would not be occurring too late: the government could already have consolidated and enlarged its base by means of reforms. The "hard" opposition policy promised by Withalm is faced by a difficult problem: this dilemma which confronts the bourgeoisie may give the S.P.O. government sufficient time to enable it to win new elections, no matter on what date the O.V.P. launches its offensive. (4)

Moreover, the defeat suffered by the O.V.P. in the elections has caused confusion among the bourgeoisie, confusion accentuated by the formation of an S.P.O. government. The recent O.V.P. congress revealed differences in explanation of the defeat and in estimation of the longevity of the S.P.O. government. (5) The younger generations of the employing class discreetly displayed a certain scepticism in respect of the great families who lead the O.V.P., demanding that a leading committee be democratically elected and forcing the new general secretary to present his programme before his election.

The Industrialists' Association which embraces the major Austrian capitalists means to re-examine the situation which led to the defeat of the O.V.P. and to work out an orientation corresponding to the present situation. Some of its declarations, such as the one in which the Association states "that it represents the interests of industrialists but that it is neither a party, nor an appendage or driving force of a party", proves that there is uneasiness over the fact that relations between the Association and the O.V.P. are too close. But naturally, one must not over-estimate this phenomenon. The bourgeoisie needs an instrument to operate its class policy and this instrument remains the O.V.P. And the politically more flexible new technocrats and managers of the employing class who are prepared to risk their luck with the present S.P.O. government, are not renouncing the O.V.P. in any way.

In the face of the present lethargy, disorientation and division of his party, its president Withalm is looking for the means of an offensive and an initiative. But if the O.V.P. attempts to act hastily there will be new crises. Elements could arise from these crises, openly reactionary forces which today are still in an embryonic state but which would seek an outcome in leadership of an authoritarian regime in alliance with the F.P.O. (6) and N.D.P. Although this danger is only minimal today, it still should not be ignored. (Besides, the C.I.A. would already have sent specialists in coups d'etat to Austria.)

#### The Proletariat and Revolutionary Tasks

It cannot yet be affirmed that the electoral victory of the S.P.O. has given back to the working class consciousness of its strength. Some conflicts which must be placed within the context of European labour struggles, like that of the Steyr-Daimler-Puchwerke factory, give rise to the thought that this may be so and if Kreisky's perspectives of "Swedish style socialism" were realised it would be a much less stable "Swedish socialism", filled with class conflicts.

The tactical perspectives of the revolutionaries must start from a correct evaluation of the character of the S.P.O.; it is not a bourgeois party but a liberal workers' party with a precise dual character: a liberal-democratic leadership; a base 90% composed of workers and white-collar workers, the great majority of whom follow a liberal reformist ideology, while one part shows signs of a growing socialist consciousness.



The toiling masses which follow it must be detached from the S.P.O. line of class collaboration. This can be achieved only if the attack is carried against the main enemy of the working class --- the bourgeoisie. In leading the class struggle against the bourgeoisie the true character of the S.P.O. leadership will appear to the workers. The loss of their illusions about this leadership will be a "by-product" of the struggle against the bourgeoisie. (7)

The peculiar character of the Austrian political situation consists in the formation of a homogeneous S.P.O. government and in participation. Even though the S.P.O. leadership seeks to form a coalition with the O.V.P. as soon as possible, a relative rupture has been created for the moment between the S.P.O. leadership and the bourgeoisie which the revolutionary tactic should make use of: it is necessary to explain to the S.P.O. workers that any new coalition, any return of the bourgeoisie to the government would constitute an irreparable attack on the workers' interests and a strengthening of the bourgeois forces. The revolutionary tactic must bar the way to any new coalition. If the S.P.O. leadership sets out on this path, it will be at the price of the loss of the most conscious part of the class which will pass to the revolutionary path, breaking definitively with the bourgeoisie.

One must explain to the S.P.O. workers that the parliamentary situation of the S.P.O. government --- their government indeed --- makes necessary the extra-parliamentary mobilisation of the working class which is the main support of the S.P.O. government. Such activity allows the detaching of broad petty bourgeois strata from the bourgeois grip and to get them to pass to the workers' side. In addition, only the extra-parliamentary class conflict can break the resistance of the bourgeoisie on numerous questions. If the S.P.O. limits itself to parliamentary activity, leaving aside the decisive force which is the mobilisation of the workers, this will objectively favour the game of the O.V.P. and its partners and encourage the reactionary forces to regroup outside parliament.

In the face of the probable attempts of the O.V.P. to overthrow the present government, movements will doubtless come to light in the workplaces --- perhaps against the S.P.O. leadership and the trade unions --- and it is for this eventuality that the forces of the revolutionary left must prepare the S.P.O. work from now on, in the perspective of a single front in fact to repulse the attacks of the bourgeoisie; it will be necessary to create with all workers prepared to fight, "committees of defence and struggle" which will undertake the organisation of the battle.

The revolutionary forces will explain to the workers that it is only by anti-capitalist measures (expropriation of the large enterprises, suppression of company secrecy, workers' control, committees of self-management, arming of the workers, etc...) that the interests of the broad masses and of socialism can be guaranteed. Thus, progressing in the course of its experience, led by the revolutionary vanguard, the majority of the workers will finally demand the constitution of a government of the workers' parties and trade unions which will be

founded upon "committees of struggle" and introduce self-management in the workplaces, the commune, the state, at all levels of activity, in order to achieve socialism. (8)

F. LERZE -- June, 1970

- (1) It must be presumed also that the disintegration of Olah's dissident socialist party as well as the crisis in the Austrian Communist Party brought some thousands of votes to the S.P.O.
- (2) He has already set up the "Commission for Army Reform".
- (3) Reform of the electoral law --- a pressing reform --- for example.
- (4) The municipal elections held since March 1st confirm the upsurge of the S.P.O.: 51% in Carinthia in April; 50.54% (up 2% in Styria in May.)
- (5) Some regard the defeat as a simple "break-down", others accuse them of minimising it. Some members proposed the creation of a "shadow cabinet". Withalm opposed it. The selection of measures to give the O.V.P. new lustre was reported after the congress.
- (6) F.P.O.: Liberal Party; N.D.P.: National Democratic Party.
- (7) But it is evident that revolutionaries, from the standpoint at all times of the fundamental interests of the masses, should continue the criticism and denunciation of the policy of the S.P.O. government.
- (8) The catastrophic results for the Austrian Communist Party of March 1st were a response to its Stalinist policies and the methods practised by its leadership. The percentage of votes gained by the Austrian C.P. is no higher than that gained before 1934. That is to say it got an absolute minimum. The distressing thing is that this situation did not give rise to serious criticism, nor to a fruitful examination of this situation. The exclusion of the anti-Stalinist tendency gave the final blow to the Austrian C.P. This time the Stalinist apparatus doesn't need to manipulate. It is truly tragic to see that there are still thousands of Communists, workers and functionaries... who, because of a misunderstood fidelity to the party, do not devote their attention to deep criticism in order to save the party in fact. The Austrian CP evaluates the results of the elections of March 1st as a "development to the right", and although it never says so officially, it lets it be understood that the S.P.O. is the main enemy and that is shown in deeds: this limited CP policy entails complete isolation for CP militants in the workplaces, and total political impotence when they are in daily contact with S.P.O. workers. C.P. bureaucrats like Erwon Scharf, Fierinberg, Kuet, etc... are incapable of understanding the new and peculiar character of a political situation which daily poses grave questions for communists. If one can speak of a "development to the right" it certainly applies to the top ranks of the Austrian CP who are trying to hide behind phrases which deceive noone. Moreover the Congress preparatory theses contain all the well-known opportunist themes such as "Socialism without civil war", "peaceful road to socialism", "democratic renewal", without forgetting to identify as anti-Communist criticism of the bureaucratic regime.

## LEON TROTSKY

BETWEEN THE MOMENT LEON TROTSKY FELL ASSASSINATED BY AN AGENT OF STALIN IN AUGUST 1940, AND THIRTY YEARS LATER, NEW GENERATIONS HAVE ARISEN, OCCUPYING TODAY THE VANGUARD OF HISTORY.

It is now this youth, tempered in struggles of historic importance against capitalism and Stalinism, like those of May 1968, of the "Prague Spring", of the American negroes and students, which, eager to deepen the meaning of its struggle and to further improve its arms, plunges into study of the centuries-old history of the international workers' movement and discovers the fascinating pioneers of the socialist future of humanity: Marx, Engels, Lenin, Rosa Luxembourge, Leon Trotsky.

The latter's ideas and exemplary life are now becoming familiar to millions of men in all corners of the earth, after so many sombre decades over which the bloody star of Stalinist obscurantism held sway.

Leon Trotsky was the first to give the example of persevering struggle against darkness, never despairing of the inevitable victory of correct ideas corresponding to the real needs of historic development.

In the most difficult hours of the history of the communist movement, and of his own personal life, he taught indefatigably to revolutionaries the art of "swimming against current" so that the best of them, the most persevering, the most lucid may one day reach the other shore, which inevitably emerges through the revolution's dialectical movement.

His way of conceiving the general march of the revolution in our epoch, known under the name of the theory of the "Permanent Revolution", is shared by all contemporaneous revolutionaries, who, deliberately or not, were led to theorise their own experiences.

The cases of "Che", of Mao, are the illustration of this.

What matters in this sphere is not formal recognition on their part that it is a question of a theory, of an idea borrowed from Leon Trotsky but the victory of a correct elaboration which revolutionary practice imposes supremely on a whole movement, "Castroist" or "Chinese".

Equally his way of analysing the phenomenon of the Soviet bureaucracy and of Stalinism is now shared, among others, by an increasingly large number of militant communists. Those formerly proud of their quality of "Stalinists" today consider this epithet as synonymous with objective betrayal of the revolution.

The dialectic of history has completely reversed the roles: "Stalinism" and "Stalinists" are eternally nailed to the pillory, as Leon

Trotsky foresaw; "Trotskyism" and "Trotskyists" have become appellations synonymous with authentic revolutionary currents.

Certainly under this appellation there now co-exist diverse tendencies which, while making use of all the ideas of Leon Trotsky and of the Fourth International founded by him in 1938, diverge tremendously from the way Leon Trotsky interpreted revolutionary-Marxism in his lifetime.

What happens inexorably with the epigones of any great thinker and revolutionary, has happened with the various epigones of Leon Trotsky.

The epigones cling desperately to the congealed doctrine, badly understood, which they adapt by distorting it to their present social existence. They live then to a great extent, in parasitary fashion, on the ideological and moral capital of the impressive ancestor.

But these inevitable distortions of "Trotskyism", like those undergone by "Marxism", "Leninism", "Luxembourgism", should not influence critical revolutionary spirits, concerned to build a genuine mass revolutionary-Marxist vanguard.

This vanguard would not be exclusively "Trotskyist", or "Leninist", or "Luxembourgist", but simply revolutionary-Marxist. That is, it would not be, either ideologically, or organisationally attached, exclusively to such or such an historic experience, but a dialectical, constructive "going beyond", including all the positive acquisitions of the past, in a permanent effort of critical, creative deepening of the new reality, of the endless becoming.

It is within the framework of such an inscribing of the necessary regroupment of the authentic revolutionary forces that the work of Leon Trotsky, of an immense ideological and moral richness, would yield the whole measure of its extreme fecundity.

August, 1970

# REVOLUTIONARY CRISIS IN THE U.S.A.

The worldwide expansion of American imperialism is accompanied by the accumulation of explosive contradictions which have now led to the gravest social crisis ever known in the United States.

A significant sign of the times is the use of the term "revolution" by critical observers of the American political and social scene, who could not be suspected of being "leftists" giving way to "unreal" fantasies.

James Reston in the NEW YORK TIMES, for example, writes that the Republican Administration, which at the beginning of its term of office thought it was faced only with "a foreign war", finds itself faced with a "domestic rebellion against the war, and perhaps with a revolution".

The interaction between the worldwide revolutionary process and its repercussions in the United States, results in the continued erosion of the power of fortress America.

The trait most constantly exhibited by American imperialism is its worldwide expansion, a drive which is fueled by the dynamism of its monopoly dominated economy which wants - if it is possible - the whole of the world market.

But this tendency to world expansion manifests itself in conditions of revolutionary upsurge around the planet and a world in which innumerable powerful obstacles exist. All of which necessitates from Imperialism an inordinate economic and military effort, if it is to prevail in such conditions.

Such an effort, in such conditions, in the final analysis, gives rise to disastrous financial and social repercussions internally.

## ECONOMIC DIFFICULTIES

Inflation, and the monetary and stock-exchange crisis, reflect the overall result of a number of interacting factors, but fundamentally the growing disproportion between the growing disproportion between the rate of growth of the material wealth of the U.S.A. and the rate of growth of all sorts on military expenditure and on different services attempting to satisfy the insatiable needs of parasitic strata and other unproductive outlays.

On the strictly financial and monetary plane, "the victory" won by the dollar over gold and European currencies, far from rendering the situation sound and healthy, introduces an element which in the long term distorts and undermines the situation.

For it permits the subsidising - in an inflationist manner - of the American economy's expansion, particularly in Europe. And it makes the dollar - an example par excellence of a currency undergoing real devaluation - the stable standard, non-convertible into gold, and principle reserve currency of the whole capitalist world.

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\*\* This article is a translation of the editorial of SOUS LE DRAPEAU DU SOCIALISME No. 53, central organ of the Revolutionary Marxist Tendency of the Fourth International.

Besides, as long as the Vietnam War continues and extends, it is illusory to think you can "throttle" domestic inflation and "fix" the current balance of payments deficit.

It is all the more illusory when one remembers that the U.S. economy - despite the "stimulant" of a widened war - is now in a recession, as it has been for several months, with a definite aggravation in unemployment and decline, although not so notable, in production and investment.

## DIVISION IN THE RULING CLASS

The new development in this sphere is the repudiation of the "adventurist" policies of the military-industrial complex (which manipulates Nixon) by a part of the big American bourgeoisie.

The economic and social repercussions of the Vietnam war on the domestic scene become a factor influencing an increasingly larger number of "big businessmen" to moderate their rate of investment, and shaking the confidence of Wall Street.

When men like Judge Earl Warren, W. Gardner, McGeorge Bundy, Averill Harriman, C. Clifford, even Rockefeller and others, take their distance in the gravest terms from "the adventures" of the Republican Administration, speak openly of "the crisis in American society" and sound the alarm, then that is a crystal clear indication that the crisis has effectively reached the ruling strata.

## AN AMERICAN "MAY"

Until the invasion of Cambodia, Nixon appeared to be acting prudently, giving the impression of wanting to "limit", seemingly even "liquidate" the war in Vietnam.

But then he suddenly decided on the invasion of Cambodia and generalised the war across the whole of South East Asia...

From this point the social crisis in the United States underwent a spectacular and significant resurgence.

Apart from the already noted reactions among the ruling strata and on the stock exchange, it is the stirrings "at the base" which give the new conjuncture of the American crisis its real significance.

This country has experienced its own "May".

May 1970 saw in the United States the greatest struggles ever undertaken by the students against the Vietnam War and the conservative Establishment of that country.

Several American universities became anti-war citadels and, along with their considerable resources, came under firm student control. This state of things presages new significant student struggles later this year in the United States which could bring the social situation again to the point of proxym.

A growing political maturation is verifiable not only amongst students but as well among the second vanguard revolutionary force in the United States at this point: the Blacks.

But, of course, by themselves alone, these forces cannot create a true revolutionary situation in the country and open up the perspectives of the American Revolution.

From this angle, what is significant and promising is what is beginning to happen in the ranks of the very powerful American working class, which has constituted until now a large part of the so-called "silent majority" and which Nixon's sheriffs a la Meany believe they will always control.

Under the impact of the shooting down of students at Kent, at Augusta and at Jackson, and the repercussions of Nixon's war policies on the standard of living of the working class (inflation, unemployment, intensification of the rhythms of work) an important sector of the AFL-CIO unions have mobilised their members against the war in New York, San Francisco and elsewhere.

#### WHAT DOES THE FUTURE HOLD ?

In these conditions how is the situation in the United States likely to evolve?

The Republican Administration appears to have definitely embarked on a course of "South-East Asianising" the war in Vietnam and of imposing a "Korean Peace" on that country.

It will thus find itself more or less directly implicated in that war for a long time. In reality this war aims to maintain a constant pressure on China and, if such is the case, to embroil China also in this torment. In that eventuality, the war on the part of the Americans could involve an atomic attack, which only the determined attitude of the USSR could prevent.

The subtle and complicated game being played out now in that part of the world should be watched with the greatest of attention.

Also, in the Middle East, Washington is fully involved in a long trial against the forces of the Arab Revolution and mounting Soviet influence.

American imperialism will seek to impose a compromise in this area which will consolidate the fundamental interests of the State of Israel and which will be susceptible of being seen and felt by the Arab masses as a retreat (no matter how minor) by the USSR before U.S. power.

The Arab States, the Americans, and the Soviets all find themselves under pressure to achieve a compromise solution - but conditions circumscribe their ability to do this.

All are conscious of the importance of the stake and of the danger of all being embroiled in a major war, due to an uncontrollable evolution of the situation.

But, faced with the resistance of the Arab masses and their vanguard, the Palestinian revolutionary left, they are obliged to search for a compromise which leaves neither "victors" nor "vanquished". It is an objective almost unrealisable in prevailing conditions.

It is thus possible, in the Middle East likewise, that the crisis will continue, having also acquired a degree of extreme "explosivity".

In reality, American imperialism proves itself incapable of disengaging itself from an endemic state of war in some form or other, and it is in these conditions that the inexorable advance of the World Revolution manifests itself.

#### THE CRUCIAL IMPORTANCE OF REVOLUTIONARY LEADERSHIP

For American imperialism to "change course" now necessitates fundamental transformations inside the United States itself.

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It will certainly not be a question yet of the American Revolution, but of a complicated and novel transitional phase, during which the mounting revolutionary forces of the Youth, the Blacks, the intellectuals, and part at least of the working class will, through harder and more coherent struggles, succeed in dividing the ruling class and imposing on it other forms of political power.

The American political scene could be profoundly transformed.

Part of this transformation could be the reform of the Presidency and the formation of a mass Labour Party.

It is also possible in conditions of "maturation" of the social crisis, that the country will evolve through a long series of very big struggles which miscarry because of the lack of adequate leadership, towards a more overt bourgeois dictatorship.

It is definitively the presence or absence of adequate revolutionary leadership which will decide the fate of the United States in the years to come

In this domain only bare guidelines can be given.

In a general way, in this case as in several others, the question of a mass revolutionary marxist organisation, which will play the role of such a leadership, could be solved in the long run through the evolution of a Revolutionary Front, uniting over a limited programme the diverse revolutionary forces at present engaged in the struggle: Youth, Blacks, intellectuals and workers.

M.P.

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## The U.S. Economy is Sick: Recession Or Crisis?

### WALL STREET'S MALADY

On the 26th May the Dow Jones index fell to 631. This most important decline on the New York Stock Exchange represented a 30% fall on the level prevailing on 3rd December 1968. Panic mounted. Then, suddenly, in a few hours, the tendency was reversed, prices on the stock exchange rose. The atmosphere became more relaxed in the stock exchanges of the capitalist world. Some financial big names, such as Cornfield of the I.O.S., were fleeced.

Will it prove sufficient that the threat of an extension of the Indo-China conflict seems to be averted to reassure the share-holders? Will the lowering of the rate of minimum deposit on purchases of shares on terms from 80% to 65%, prove sufficient to relieve the gloom? As we are inclined to believe that capitalism is doomed, and are thus partial, let us listen to other diagnoses:

"The market, after having on Wednesday experienced the biggest rise in its history, yesterday continued its upward turn.....But these movements should

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not delude us. Periods of crisis have always been characterised by movements both large and sudden." - Les Echos, published on May 29th. The main paper of the French financiers has reason to be prudent. The prime cause of the decline of the currency on Wall Street is the reduction of profit margins of American industries.

Between the first quarter of 1969 and the corresponding period of 1970, the reduction of the profit margins of American industries reached 7%. For auto mobiles it went as far as 40% and 67% for the electrical goods industry. For eight years at least the annual growth of profits has shrunk. Between 1962 and 1966 it averaged 12%, fell to 3% in 1969 and is expected to be between 5% and 10% in 1970.

During this time the gross national product which had already registered a decline of 0.4% in the last quarter of 1969, again fell for the first quarter of 1970, but this time by 3%. Unemployment is increasing, 2.8 million unemployed in December 1969, nearly 4 million in April, and 4.1 million in May, say 5% of the active workers. This is now taking on a clearly recessionist character: the number of unemployed workers exceeds that of youth seeking a first job. To give the last touch to the picture, it should be added that paradoxically prices continue to rise and increasingly quickly. In March, the increase in the cost of living represented an annual rate of 6% in April 7.2%. Wages are chasing prices and despite an average increase of 6.3% in a year, the purchasing power of the industrial worker has fallen by 0.7%.

Without as yet pronouncing on its nature, since the symptoms are contradictory, it is obvious that the malady is serious.

As the First National City Bank said with infinite tact, "It is still too early to cry victory against recession."

#### A Complex Malady

How is this somewhat surprising situation in regard economy to be understood when prices are seen to rise even when the American government, limiting the expansion of the possibility of credit, is involved in a restrained, but sure, deflationist policy?

In fact, inflation has become a too generalised a method for it to be brutally checked. Since the Second World War the American state has constantly used inflation as a means of correcting economic cycles. The enormous space programmes, financed by the state, weigh heavily in the balance.

The consequences of the accentuated monopolist structure can no longer be ignored. The planning of the trusts is based on the medium, or even long-term; this involves a certain rate of profitability. However, over a long time these trusts impose prices for current consumer goods, far removed from the real cost price if the use-values they contain were stuck to. The concentration of trade, the hegemony of the suppliers, allow the trusts for a period at least not to take account too much of the conjuncture in determining their sale-price. But up to the last 4 or 5 years inflation did not make the wholesale price budge an inch, and if the retail price increased by 1% to 2% a year, this was the result of the growing cost of publicity and promotion. The trusts were anxious at any price to ensure the regular flow of their production, to refrain from damaging the plans of the treasury and of finance.

Today, prices of intermediary goods no longer have this stability and the extreme example is given by the steel industry which, in face of Japanese and

German competition, saw its production decrease even when consumption increased. But this does not prevent the steel trusts, while utilising the "captive" market of the subsidiary industries, from continuing to keep up with the price rises, indeed even taking the initiative. It is understandable that these gentlemen raise a hue and cry about the steel import quota.

Meanwhile, what has happened? Over many years this institutional inflation was literally exported. The use of the dollar as reserve by the banks of issue allowed a flood of investments to break over the advanced capitalist countries.

The foreign central banks are reluctant to conserve too many dollars and, apart from a discreetly amassed gold reserve, they prefer to cover themselves with a safer currency. The floating capital of the Arab potentates and the South American large land-holders is again changing continents. It had quitted Europe, disquieted by the French devaluation, the instability of the Italian lire, and their wealth having now been increased thanks to the revaluation of the mark. And now it flows back again. Thus six hundred million dollars have quitted America since the beginning of the year. The confidence placed in the dollar is falling, whilst the interest rates are the highest in the whole financial history of the United States. A deficit in the American balance of payments of one thousand million dollars in 1970 is expected. At the present time the trade balance is maintained in a state of equilibrium with great difficulty. And only for a short time. Because the price of American commodities continues to increase. But for a number of them it was already too high.

For the fundamental source of the malady is this: American prices are no longer competitive for numerous categories of commodities. Japan and Europe have increased their productivity more quickly, clearly more quickly, than that of the U.S.A. Certainly wages have increased in these countries but without reaching by a long way, the standard of living of American workers. The result is clear, as we recently stressed: the U.S. capitalists are threatened by foreign commodities, even on their own market.

#### Three Possible Outcomes

The most realistic and effective solution would be a devaluation of the dollar, registering this decline in productivity. To be of use it must be between 10% and 20%. But this is the least likely solution. It would assume that Nixon is not standing for the next and following elections. It would assume that Nixon could impose himself as a responsible representative of the interests of capitalism. He is the weakest and dullest man brought to Presidency of the U.S.A. for a long time. His margin for manoeuvre is very reduced.

Another solution, with more distant but possible results would consist in severely restraining wages over a period of several years. But besides the predictably disastrous effects on the American economy, this policy runs the risk of starting strike movements and a political turn-around of the workers now tied to bourgeois democracy.

What has the greatest chance of coming to pass is sleight-of-hand tricks. On the strength of their powerful position the U.S.A. is exerting pressure for revaluation of some currencies. But the lack of success of the U.S. German operation will rouse opposition. New international credits could be created by the expedient of special drawing rights.

All that only to blow up better afterwards.

In fact the restraints and structures that impeded transformation of the recessions into classical crises are blowing up one after the other. What capitalist country could use inflation for starting up again without running the risk of it being swept along uncontrollably? What government will consider easily curbing its economy by deflation when recession is threatening? The crisis of the monetayr system is only an expression of the contradictions produced by anti-cyclical interventions and of the particular role played by the American economy for 25 years. Control of the cyclical movements is in the act of slipping from the capitalists' hands

THE CRISIS IS NOT UNAVOIDABLE, IT MAY NOT BE IMMEDIATE, IT IS POSSIBLE.

(From Sous Le Drapeau du Socialisme, No. 53)

Michel FIANT.

20th June, 1970.

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#### THE ASSAULT ON THE VICTORIAN A.L.P. EXECUTIVE

The current campaign by the Federal Executive of the Labor Party, urged on by the slaving anti-working class mass media, is hell-bent on destroying the Party's Victorian State Executive.

The bourgeoisie is getting around to envisaging the A.L.P. as an alternative government, conscious of the Gorton-McEwan government's increasingly unattractive image.

But first it is necessary to ensure the party's definitive evolution into a safe liberal-labor party (see the article herein on its counter-part in Austria).

The political tops of the capitalist class have no illusions. They recognise their main enemy as the organised working class. Despite its present political level the potential for effective revolutionary action (in respect of its central and leading role) remains the attribute of the working class alone.

Victory for the Federal Executive in its reactionary campaign, and involving reduction of the unions' predominance in the party is a retrograde step. Irrespective of the workers' present political level, future progress depends upon their progression to activity as a class, fulfilling its vanguard role. As this activity accelerates, affecting union policy, the validity of union predominance in the A.L.P. will be shown.

Nyopic revolutionaries will live to rue their support, complacency, confusion or lack of interest in regard to this drive towards a petty bourgeois Labor Party.

Their opposition drive should be to get back to the original organisational set-up - every member of an affiliated union to be automatically by that fact a member of the Labor Party, with full rights.