



# FIGHT FOR CHANGE

Anna Pha

**“We want change,” was the message to the major parties. The Liberals copped a routing as millions of people sought change. Most of the Murdoch media outlets and Sky News campaigned hard against Labor but failed to install a Coalition government. Labor’s vote did fall. While Labor might have won office, the big winners are the teals (Climate 200-backed independents) and the Australian Greens.**

The message to Canberra was simple. People want action on climate change. They feel, with good reason, that politicians are not listening, that they are divorced from the real world. This election has seen a grass-roots revolt that fractured the two-party system, a positive trend seen across other comparable countries in Europe.

More than ever before, individual candidates were supported for their policies on key issues and links to the community. Many diehard Liberal voters found an alternative in the Climate 200-backed teal candidates.

The electorate is now split three ways with about a third of primary votes each to the Coalition, Labor, and the cross bench. At the time of writing a few lower house seats were still undecided but Labor looked set to gain an absolute majority in the lower house. The number of women and Indigenous MPs has increased, with a record six Indigenous MPs in the Labor caucus.

Blue ribbon and marginal Liberal seats fell like dominoes to the teals, Labor and the Greens with “safe” margins of up to fifteen per cent evaporating. Josh Frydenberg, heir apparent to the leadership of the Coalition, conceded defeat two days into counting, and the ultra-right Peter Dutton was poised to take over leadership of the Liberal Party.

As the Liberals lick their wounds, the blame game has started. The purge of more moderate Liberals began in the 1980s with the struggle between

“wets” and “drys” and then intensified from the 1990s under Prime Minister John Howard who took the party further to the right in an attempt to capture One Nation votes.

The more moderate and socially progressive Liberals blame Morrison and the shift to the right for the hiding. There is no doubt that Morrison had become one of the most unpopular PMs of all time. It should be noted that some in the Liberal Party and commentators in the Murdoch media are calling for the party to move even further to the right!

With socially conservative forces and climate change deniers firmly in control, and out-and-out neo-fascists in their ranks, the party has become increasingly out of touch with majority public sentiment. It was an own goal for the Liberals when they kowtowed to the National Party over climate change and to the fossil fuel industry.

## ISSUES

The ABC’s Compass survey which received over one million responses, identified the five most important issues as:

- Climate change
- Economy and finance
- Cost of living
- Government accountability
- Healthcare.

People in Brisbane and along the east coast of Australia who were hit by floods – in some instances successive floods – know that climate change is here now, as do those who lost everything in the bushfires. They have not forgotten the government’s inaction in these climate change events or the failure of the government to reduce greenhouse gas emissions or take mitigation and adaptation measures.

Albanese’s commitment to support a 5.1 per cent increase in the minimum wage – one dollar an hour more – before the Fair Work Commission is unlikely to be granted in full, but it was in strong contrast to a government that admitted that wage restraint was policy.

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Photo: Anna Pha

# “If there’s one message out of this election is that people feel completely disconnected to the major parties.”

3  smashing the two-party system is possible

4  COVID-19 is worse than ever in Australia

5  Australian Marxist Review #72 published

6  Washington consensus – growing World poverty



## Guardian

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## PRIVATE SCHOOLS GOT RICHER UNDER JOBKEEPER

To say that JobKeeper was a program designed to benefit the ruling class during the pandemic would be an understatement.

As we have seen, Harvey Norman received \$22 million in subsidies after posting record profits for the 2020-21 financial year. Now, however, it has been revealed that non-government schools experienced similar benefits.

The ABC found from its analysis of “all 395 non-government schools” that with “taxpayers subsidising pay packets, together these schools more than doubled their surplus in 2020 to almost \$1 billion.” Here, institutions like The King’s School (NSW) received \$8 million; Southport School (QLD) “pocketed almost \$5 million in the same year it tripled its surplus”; Sacred Heart College (SA) “increased its surplus by almost the same amount it received in JobKeeper” (\$7.6 million).

And here we see the flaw inherent in JobKeeper manifest again: that it misallocated funds because of poor assessments and did not regulate its use. We saw it with Harvey Norman, and we now see how it took place in our non-government schools.

Dean Paatsch, an investment analyst who has been following JobKeeper, told the ABC:

“The taxpayer does not need to be subsidising schools that have more money than they know what to do with [...]. JobKeeper topped up their [surpluses] and increased their cash [...]. They could renovate their boat shed, finish their indoor pools [...] upgrade their gymnasium and wellness centre – all of those things occurred.”

Many of these facilities mentioned by Paatsch are already state-of-the-art, outdoing their council or private counterparts, and are funded by wealthy alumni, parents, or benefactors, many of which are Australia’s richest.

Independent Schools Australia contends that its schools “rely heavily on fees paid by parents – many of whom lost jobs or income due to the impacts of COVID-19.” However, it is clear from the above that any loss of jobs did not have the described impact. In fact, according to the ABC, “only six school campuses reported their revenue falling by thirty per cent or more across 2020.” Furthermore, Paatsch denies this claim stating that “teachers weren’t stood down [and] school fees continued to be paid by parents.”

Wealth inequality under a near-decade of Coalition government has risen drastically. The inefficiency of the JobKeeper program reveals only one way in which the Coalition was able to exploit a crisis to the benefit of the ruling class. With the Morrison government defeated, Australia has one of its most progressive parliaments in decades and can start to rectify this massive gap of wealth between the classes. However, it will be to all Australians to ensure that the promises of the ALP, the Greens, and Independents are kept.

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# FIGHT FOR CHANGE

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The public is fed up with the rorting, the cover-ups, the conduct of politicians, the reduction of politics to personal attacks and one-line grabs. There are pressing issues that need addressing now.

Women had not forgotten how the government swept the abuse of women in Parliament under the carpet and refused to implement the Jenkins report.

Mounting waiting lists for hospitals, shortages of GPs and specialists in the less affluent suburbs and regional and remote areas reflect a health system in crisis. Urgent reform is required. Reducing the price of pharmaceuticals is only a small step.

For workers and their trade unions the question of industrial relations reform looms large. The Coalition’s agenda would have denied them of the few remaining rights they have.

The criminal abuse of incarcerating asylum seekers indefinitely by governments both Liberal and Labor is set to continue under Albanese. The return of the Biloea family is widely welcomed, but there are many more asylum seekers who should also be released. The pressure will need to be maintained on Labor if any justice is to be done.

Labor also kicked an own goal by parachuting Kristina Keneally from the affluent eastern suburbs into the working-class electorate of Fowler in the southwest of Sydney. The ethnically diverse community were not going to be taken for granted. It looks as though independent candidate Dai Le has won the safe Labor seat. Le is former Deputy Mayor of Fairfield and a Vietnamese Australian.

### POISONED CHALICE

Before heading off to a meeting of the Quad military alliance in Tokyo, newly sworn-in Prime Minister Anthony Albanese outlined the immediate actions his government would take: the establishment of an anti-corruption commission; the Uluru statement from the Heart; and the convening of an employment summit with trade unions and employers. He spoke of ending conflict and bringing people together, a reminder of the Bob Hawke days.

The legacy of nine years of Coalition poses monumental challenges for the new government, especially for the Treasurer. The economy is anything but sound, despite all the claims to the contrary from the Coalition.

Working people face a cost-of-living crisis; housing crisis; stagnated wages or falling for the low paid; casualisation and labour hire which have led to insecure employment and loss of working conditions and

wages; a gig economy is on the rise; interest rates rising; and inflation is with us. The low official unemployment rate is a cheap trick, including anyone with even one hour of paid work as employed. In part it is also a result of closed borders.

The Coalition white-anted the NDIS and the public service. It failed dismally to provide adequate support for social security recipients.

Labor has a huge repair job ahead of it in the face of a large budget deficit and whopping debt heading towards \$1 trillion.

### COMMUNITY ACTION

“This wasn’t just a campaign that was fought over the last six weeks,” Max Chandler-Mather, the likely new Greens MP for Griffith in Brisbane said. He was one of two Greens candidates expected to win seats there.

“If there’s one message out of this election is that people feel completely disconnected to the major parties.”

Chandler-Mather says the Greens knocked on 90,000 doors in their campaign to win Griffith. It was a long community-based campaign, door-knocking and asking residents what concerned them.

Party volunteers handed out care packages to vulnerable residents during the pandemic and the recent flooding; they built community gardens, ran forums, and sent out newsletters. The Greens already held positions at local and state level. It was out and out hard work, but it paid off.

The Greens set to have increased representation with three seats in the lower house and twelve in the Senate.

### CLIMATE 200

Climate 200-backed candidates also had close ties with their communities. A number of them had strong historical links with the Liberal Party, some were even former members. On its website, it claims that 15,000 volunteers knocked on 130,000 doors and that 65,000 phone calls were made.

Climate 200 describes itself as “a community crowd-funded initiative that supports political candidates committed to: a science-based response to the climate crisis; restoring integrity to politics; and advancing gender equity.”

Individual candidates also have other socially progressive policies but there is no indication of the position that any of them take on economic questions and industrial relations. As small “I” liberals, these are likely to be quite conservative. Time will tell.

Their community campaigning plus extensive media coverage paid off. Six independents were elected for the first time. They won one seat in WA, two in Victoria and four in NSW. All of these seats were previously held by Liberals except for one by Labor.

Climate 200 Zali Stegall was re-elected on a greater majority. She did have some assistance from PM Scott Morrison who backed in a vocal transphobic candidate.

Climate 200’s Advisory Council includes former Liberal leader John Hewson, former Labor MP Minister for Science Barry Jones, former Senator and leader of the Australian Democrats Meg Lee. The convenor is climate philanthropist Simon Holmes à Court.

### SENATE

Forty of the seventy-six Senate seats are being decided at this election with a total of thirty-nine needed for a majority. At the time of writing Labor and the Greens were likely to win fourteen and six seats respectively. When Senators not standing for re-election are included, that would give the two parties combined thirty-seven seats. Counting continues with outcomes also uncertain for another five seats.

After close to \$100 million on advertising, extreme right Clive Palmer and his equally reactionary mate Craig Kelly are struggling to win a seat for the United Australia Party. His advertising blitz in the last week and highways and city streets littered with billboards calling for “Freedom Freedom Freedom” failed to gain traction.

The extreme right might have made no inroads, but it has not gone away. It is still lurking in hope of capturing the disaffected in the future.

The electorate has longer memories than the six-week campaign of gotcha moments, thirty second media grabs, and political theatre. Labor’s win was largely the result of the Coalition led by a toxic Prime Minister being thrown out. The Liberals lost seventeen seats, Labor gained eight and the Greens gained two. The new Parliament will have twelve cross benchers including the three Greens.

Albanese declared on election eve: “Tonight Australians have voted for change.” They also sent strong message to the two major parties: the two-party system can be broken, that community candidates can win.

Labor has an opportunity now to deliver change. It’s now up to the people to take their demands to the streets to secure the change they voted for. ☘

Find out more about the  
**Communist Party of Australia**

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# CC STATEMENT ON THE FEDERAL ELECTION – SMASHING THE TWO-PARTY SYSTEM IS POSSIBLE

The Communist Party of Australia predicted a government where Greens, progressives and independents would play an important role. At the time of making this statement Labor has been sworn into government and the exact distribution of seats will be confirmed in the days ahead.

The electorate has spoken and given a strong mandate that ambitious and urgent action is needed to address climate change. The electorate wants to see upgraded targets for 2030 as required by the latest climate science.

The CPA congratulates the Greens on their significant results in both houses of government. These wins in the lower house will enable progressive reforms through legislation. There is the possibility they will hold the balance of power in the Senate, but it could be some weeks before the final Senate results are known.

The election of independent crossbenchers together with the Greens has landed a serious blow to the two-party system. Under these new conditions Communists and progressives must organise to struggle for a pro-working-class agenda and prevent backsliding from the ALP. An opportunity opens up to improve the position of workers and undermine monopolies if backed up by an intensified struggle, mass mobilisation and organisation.

The electorate responded positively to progressive policies on the environment, housing, wage rises, cost of living, an Integrity Commission with teeth, unemployment and Medicare including dental. It is also not surprising that, after the mishandling of the attacks on women and misogynist policies, that women stood up to play a greater role in Parliament. The CPA welcomes the improved gender balance in Parliament.

The Communist Party of Australia rejects the undemocratic nature of Australia's electoral system and demands change. We call on the new Parliament to work on a more democratic proportional representation electoral system that encourages and allows the participation of small political parties.

Electing Greens, independents and changing the government on its own will not deliver the needed reforms for the people, nor can it change the fundamental capitalist nature of Australian society.

This election has, however, shown that when people come together and organise real change can be won. Now it is crucial, under these new conditions, to build and strengthen a mass movement in workplaces and on the streets to win reforms in the interests of working people.

The Communist Party of Australia calls to action all those who voted in the hope of achieving change to inflict a final blow to the two-Party system that has failed working people and their families.

Finally, the CPA welcomes the election night announcement that the incoming government will honour the demand of an Indigenous voice to Parliament. ✪



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## LOOKING AHEAD TO A LABOR GOVERNMENT

**It's official: Anthony Albanese has been sworn in as Australia's 31st Prime Minister. At the time of writing, no seats in the House of Representatives have officially been declared, but Labor is expected to form a majority government. In addition, the Greens won a record three seats in Queensland and retained the key seat of Melbourne. Ten independents have also been elected across the country.**

Albanese promises that his new government "represents a change" in Australian politics. It's now up to the people to ensure that we hold Labor to its election promises. Labor has committed to criminalising wage theft at the federal level (wage theft is currently a crime in Victoria) and earlier this month Albanese stated that Labor would "absolutely" back the call for a 5.1 per cent wage increase to keep pace with inflation.

Labor has also promised to build 20,000 new social housing properties as well as lowering taxes for the working class, lowering the cost of childcare, investing in

sustainable jobs, reforming the aged care system and tackling corruption. Perhaps among the most important commitments of the new government: Albanese has promised to finally deliver on an Indigenous voice to parliament.

All of these things sound great, but will the new government follow through? Governments have a long and storied history of failing to deliver on their election promises. It ought to be obvious to every working class Australian that the Morrison government failed spectacularly to deliver the "stronger economy" it promised at the 2019 election.

There is one issue on which Labor is facing unprecedented political pressure to act. An article in *The Conversation* suggests that the Greens and climate independents will push Labor to act on climate change. On Twitter, Adam Bandt, the leader of the Greens and MP for Melbourne congratulated the new PM, but noted the need for immediate action:

"The crises facing us are urgent: floods, fires, and people unable to afford basic cost of living. We've

got to quit coal & gas. We've got to fight inequality."

This election has shown that Australians want a change and we want it now. Progressive politics is on the rise, with the teal independent winning multiple seats, the Greens taking Queensland by force and the Victorian Socialists winning over five per cent of the vote in the Melbourne seat of Cooper. It is hoped that these forces will push Labor to left and force progressive policy on key issues.

But the pressure also has to come from outside of the Parliament. People must continue to make their voices heard through grassroots campaigning and direct action. For all their progressive posturing, Labor is not a party of the working class. Unless the people hold it to account, the new Labor government cannot be trusted to deliver on the urgent change that is needed.

We cannot forget the limits of electoral politics. We cannot become complacent. The struggle continues. ✪

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# COVID-19 IS WORSE THAN EVER IN AUSTRALIA



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Casey Davidson

**It is hard to believe that after over two years of harrowing fears of COVID-19 that people in Australia would be experiencing the worst situation in the whole pandemic. Forty Australian citizens per day are dying from the disease, a number much more significant than through all restrictions and lockdowns, after the government decided to “let it rip.”**

This means that there has been a 2.5 time increase in deaths this year compared to the previous three years. The working class of Australia are still experiencing the fear and experience of the COVID-19, with their loved ones, their colleagues and themselves contracting it, despite being fully vaccinated and wearing masks. Workers are forced to self-report with RATS, leading to underreporting of positive cases. However, the silence from the mainstream media would not make this immediately obvious.

The recently defeated government’s aim to have the spread of the disease and response to it fit

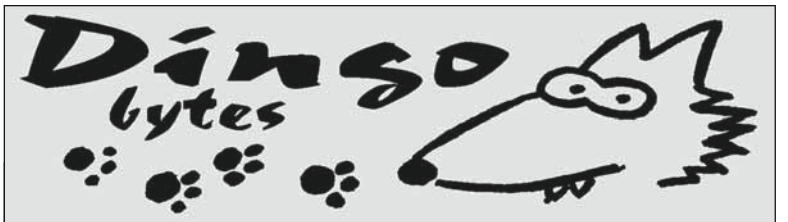
their political aims has clearly not worked. The result is that while 2000 people died over 2019 and 2020 in Australia, over 5300 people have shockingly died as a result of COVID-19 this year. Those working in health care services, including medical staff, emergency services, and nurses are overworked, with hospitals and facilities exhausted. Health workers are still working under front-line conditions while mask-wearing in public is ignored.

Although the severity of COVID-19 differs in the variants, most Australian citizens are most likely experiencing one of the less detrimental ones. Omicron, which generally presents with relatively manageable symptoms, can still be very dangerous for vulnerable people. Those who do not or cannot get vaccinated, or their children have a much higher rate of hospitalisation. Those who contract it who are elderly or with pre-existing conditions can potentially lose their lives. While there are some situations in which people may be vulnerable to vaccinations, many people have chosen to opt out due to fears of side effects exacerbated

by misinformed and right-wing sources.

Even if the symptoms are not deadly, workers who find out they are COVID-19 positive are expected to self-isolate, and in better circumstances, work from home. Unfortunately for many workers this is not an option, and they may lose their job if under casual employment. Small businesses are in situations where they are unable to continue work as usual due to employees unable to attend work. Even the electoral commission could not function properly because so many people have had COVID-19. The whole Australian economy is under intense pressure.

Workers are divided in their desires to be free and over fears of not making ends meet and over their family’s or their own health. The reality is that the Australian public is still in the middle of a major health and economic crisis, and this is being largely ignored. It is time for the workers of Australia to unite in action to have health and work security to be pushed to the forefront. ✪



The US Department of Defence recently went through the formality of asking Congress to give it the go-ahead to fund facilities in Australia to process rare earth minerals critical to the making of high-tech weapons of war. Australia’s role as a US base for the launching of conflict is now officially sponsored by the Pentagon.

And speaking of sponsorship, a dirty deal slipped quietly by last October involving taxpayers’ money used by the Morrison government for regional dominance in telecommunications. The act was perpetrated when the government handed \$2.1 billion to Telstra to buy telecommunications assets in the Pacific. The money/loot is for the acquisition of Digicel Pacific, owned by billionaire Denis O’Brien. Part of the dirty deal will see Telstra cough up \$200 million from its coffers with the government adding \$1.5 billion by giving taxpayers’ money to the home-grown corporation to add to its monopoly status. The reason for the deal is to beat out Chinese communication companies. Last month things hit a small brick wall when Digicel executives hi-tailed it out of Papua New Guinea to avoid jail time for failing to pay a \$130 million tax bill.

On Ukraine, the stream of reportage has included that Russia faces “a tsunami of sanctions,” presumably to cause its economy to collapse. So, which countries won’t impose sanctions? Among these are the BRICS countries: Brazil, India, China and South Africa. They account for forty-three per cent of the planet’s population. China is the world’s number one economy in terms of GDP, India is in third place. In fact the whole of Asia does not want to take the side of the USA. The only exceptions are South Korea, Japan and Australia, whose governments accommodate US bases and US forces of occupation on their territories. The leading Middle East countries – Pakistan, Iran and Turkey – are not enthusiastic about the boycott which the US is trying to force on everyone. The Middle East Arab countries, including those which have close relations with the US, have declared their neutrality. Latin America, which has suffered more than anyone at the hands of US imperialism, does not support sanctions. This applies not only to Socialist Cuba and progressive Venezuela and Nicaragua – but to the largest and most influential countries: Brazil, Argentina and Mexico. Many former socialist countries in Europe have also shown understanding of the situation that has taken shape. The leadership of seemingly unfriendly Georgia has decided against sanctions. In Europe, too, there is no unanimity. For Europe is a net loser. The winner is only the US which is hitting not only Russia, but its long-time economic rival, the European Union.

**PARASITE OF THE WEEK:** Qantas is going to the High Court to appeal against a ruling that its outsourcing of the jobs of 2000 baggage handlers is illegal. A Qantas statement said the outsourcing “was based on lawful commercial reasons”: it would save \$100 million a year in staffing costs and remove the need to spend \$80 million to upgrade in-house equipment.

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# EDITION 72 OF THE AUSTRALIAN MARXIST REVIEW PUBLISHED

Earlier in May the Communist Party of Australia published edition 72 of its theoretical journal the *Australian Marxist Review (AMR)* prepared by its editorial board. This edition of the *AMR* is now available for sale for \$5 a copy, or for a subscription of four issues for \$25. As the editorial board has resumed the regular publication of several editions per year now is the perfect time to get your subscription to the *AMR* to support the development of Australian Marxist-Leninist theory. You can purchase copies by emailing [shop@cpa.org.au](mailto:shop@cpa.org.au). If you have any feedback or if you wish to write for the *AMR* you can contact the *AMR* editorial board by emailing [amr@cpa.org.au](mailto:amr@cpa.org.au). The *AMR* editorial board has received contributions for *AMR* #73 and is working to publish this next edition by the middle of the year.

In this special edition of the *Australian Marxist Review* the editorial board has sourced a series of articles from international contributors and members of the Communist Party of Australia around the theme of the Communist Party of China (CPC) and the Peoples Republic of China. This is to commemorate the centenary of the foundation of the CPC as a world historic event.

The first of these articles is a reproduction of the speech by **Xi Jinping** commemorating the centenary of the foundation of the CPC. This speech was delivered at a grand ceremony in Tiananmen Square, Beijing on 1st July 2021. It is a significant contribution that recognises the profound achievements of the CPC while looking forward to the future in the struggle to realise the goal of comprehensively building China into a great modern socialist country in all respects by the centenary of the founding of the People's Republic of China. It among other recent documents and historic resolutions is one of the foremost statements of how the CPC views its past, present, and future. As the Communist Party of China is the leading party of an immense country building socialism and an emerging great power this speech is worthy of diligent study by Communists and those interested in the development of the People's Republic of China. Xi Jinping is the current President of the People's Republic of China and General Secretary of the CPC.

Following this, well-known Australian Marxist academic, member of the Communist Party of Australia and member of the *AMR* editorial board **Roland Boer** presents an article aiming to deepen the perspective around the nature of China's development. Some development policy approaches of the CPC have been controversial among Communists in other societies, and the nature of China's development has been subject to debate internationally. Boer urges that Communists listen to the viewpoints and discussion

from CPC cadre on the Socialist path that China is pursuing when we make evaluations of this development. The article persuasively argues "that it is important to listen to what our CPC comrades think about their own system, based upon immense amounts of research on the concrete reality in China, and not let bourgeois criticisms and Western imperialist assumptions set the agenda."


**David Matters** on behalf of the Communist Party of Australia provided a contribution as one of 100 world Communist leaders to pay respects and congratulations to the CPC on the 100th anniversary of that party's foundation. The *AMR* reproduces the English version for our readers. David is the Assistant General Secretary of the Communist party of Australia and was the former Brisbane Secretary of The Australian Tramway and Omnibus Union and Assistant Secretary of the Rail Tram and Bus Industry Union. He is currently Editor of the *Australian Marxist Review* and a member of the World Association of Political Economy.

The next article is by Correspondent **Franc Stregone**. It is a study on China as a global partner that examines from the perspective of an Australian Marxist the developing characteristics of China's international relations and participation in the global governance system, as well as challenges it is experiencing from USA-led opposition to China's development and growing influence across the world. Stregone is currently editor of the *Guardian - The Workers' Weekly*. He also currently serves as the Assistant President of the CPA NSW State Committee and Secretary of the CPA Sydney Central Branch. Stregone has a bachelor's degree in Fine Art (Video, Sound, and Image) and Arts (Philosophy) in addition to an honours degree (Philosophy) at the University of New South Wales. He is currently studying a master of Political Economy at the University of Sydney.

The *Australian Marxist Review* is proud to reproduce the statement delivered by Vinnie Molina, President of the Communist Party of Australia, to the Centenary celebrations of the CPC. Vinnie is the former President of the Western Australian CFMMEU and a current organiser for the construction and general division of the CFMMEU.


The *AMR* reproduces a speech given by retired academic and barrister **James O'Neill**, who specialises in writing about geopolitics. James is an active member of the Queensland branch of the Australia-China Friendship Association. James delivered this speech at the 2022 Annual General Meeting of the ACFNS QLD and has kindly agreed to allow the *AMR* editorial board to publish his speech on 'The role of Modern China in a Changing World'. This speech raises some thought provoking issues and questions for readers of the *Australian Marxist Review* relating to monumental and historic

AMR




Australian Marxist Review – Journal of the Communist Party of Australia

#72 May 2022
\$5



- Centenary of the Communist Party of China
- Our CPC Comrades on the Nature of China's Socialist Path
- The foundation of the Communist Party of China
- China as a Leading Partner State
- CPA greeting from the CPA President Vinnie Molina
- The Role of Modern China in a Changing World



IDEAS  
THEORY  
POLICIES  
EXPERIENCE  
DISCUSSION

changes currently occurring within the international system.

These articles, and statements, have been selected to give an overview of recent developments arising from the rise of China on the occasion of the foundation of the CPC. It is hoped that readers of the *AMR* and that Communists, workers and progressives in Australia will find these works to be interesting and useful.

Following the 14th National Congress of the Communist Party of Australia at the end of February 2022 the newly elected Central Committee appointed a new editorial board to lead the production of the *Australian Marxist Review*. The editorial board consists of Comrades David Matters, Roland

Boer, and Christian Goopy. Comrade David Matters leads the work of the *AMR* as editor. The editorial board would like to recognise and thank Comrades Anna Pha and Elizabeth Hulm for their significant contribution to the *AMR* in their role on the previous editorial board of the *AMR*.

The *AMR* editorial board calls for submissions for future editions of the *AMR*. Articles can be submitted to the *AMR* in areas of interest for the development of Marxist-Leninist theory and the working-class struggle in Australia. The editorial board suggests that labour and work, class structure in Australia, the environmental movement, the national question, developments in the national and

global economy, resisting imperialist war, and fighting for gender and racial equality as possible topics of articles advancing Marxist-Leninist theory. The *AMR* has a particular interest in articles that aim to advance the development and building of the CPA into the leading force of the working-class struggle in Australia. If you wish to discuss any ideas for articles, to seek advice on writing for the *AMR* or if you have any suggestions and feedback please provide them to the *AMR* editorial board and editor by emailing [amr@cpa.org.au](mailto:amr@cpa.org.au), [mattersd1@gmail.com](mailto:mattersd1@gmail.com) and [christian@cpa.org.au](mailto:christian@cpa.org.au). ✪

**Australian Marxist Review**  
- Journal of the Communist Party of Australia



# THE WASHINGTON CONSENSUS

Graham Holton

**According to the recent World Bank report, *From Crisis to Green, Resilient, and Inclusive Recovery (2021)*, the Third World is facing great hardships with increasing poverty, unequal wealth distribution, food insecurity, and climate change. The recent massive popular protests in Argentina and Peru are indicative of failed economies. The World Bank plans to fix these problems by reducing the share of the global population living on less than US\$1.90 a day by increasing the incomes of the poorest forty per cent. It will do this by applying the same neoliberal economic principles as it has over the past forty years. It is these Washington Consensus policies that have led to increased poverty and political unrest across the world.**

The institutions that assist economic development in the Third World, the International Monetary Fund (IMF), World Banking Group (International Bank for Reconstruction and Development, and the International Development Association, etc.) and the United States Department of the Treasury, are based in Washington, DC, not far from the White House, and therefore are named the “Washington Consensus.” These institutions are part of the capitalist system, financed by Western banks lending at market interest rates. They have put in

place conditions that increase the wealth of lender countries but place great financial, political and social burdens upon the Developing Countries.

Oxfam International’s report, *Inequality Kills (2021)*, shows that wealth inequality has reduced the income of ninety-nine per cent of the global population and forced over 160 million more people into poverty. Since 1995, the top one per cent of the world’s richest people now have more wealth than twenty times the wealth of the bottom fifty per cent of the World’s population. The Global Gender Gap Index benchmarks the change in gender-based gaps in economic participation and opportunity, educational attainment, health and survival, and political empowerment. The World Economic Forum’s *Global Gender Gap (2020)* report found that the Covid-19 pandemic had increased the income gap from ninety-nine years to 135 years, meaning it will take another generation for women to reach parity. The report finds women lost \$800 billion in earnings in 2020, with thirteen million fewer women in work now than in 2019. The result has been that the poor get poorer and the rich have become staggeringly rich.

International trade is dominated by the Fortune Global 500 corporations. The top fifty companies in this list have annual revenues exceeding US\$121 billion each. The top ten global companies by revenue are based in: the USA with five; China with three; Japan and Germany with one each. The Global North continues to dominate

international trade. Walmart, the richest company in the world, is owned by the Walton Family. It achieved this status by paying very low wages, enforcing poor working conditions, and being strictly non-union. The *Forbes* 400 list of the richest Americans in 2021 shows that their collective fortune increased by forty per cent, in the past twelve months, to \$4.5 trillion. Jeff Bezos is the richest American, now with a personal wealth of US\$201 billion, equivalent to the collective Gross Domestic Product (GDP) of many countries. US billionaires are richer than ever before, and F Scott Fitzgerald reminds us in *The Great Gatsby (1925)*: “Let me tell you about the very rich [...] They think, deep in their hearts, that they are better than we [...] They are different.” To accumulate so much wealth in so few hands, and yet disregard the suffering of “the huddled masses” says a lot, not just of billionaires, but of the bankers behind the Washington Consensus. This raises two questions, how did this worsening problem come about and why did the Washington Consensus get it so wrong?

There are two main reasons why these institutions give aid to poor countries. US President John F Kennedy said in 1961 that, “foreign aid is a method by which the United States maintains a position of influence and control around the world, and sustains a good many countries which would definitely collapse, or pass into the Communist bloc.” Teresa Hayter argues in *Aid as Imperialism (1971)* that the political aim of foreign aid is

to build up social and economic systems to ensure against any revolutionary Left-wing government coming to power, which would then lose access to international loans if it did. The system ensures that a Socialist government is starved of international funds.

Beside this political reason, aid also enriches the richest countries. In 1993 I interviewed the director of Australia’s Overseas Aid Program, who told me that for every dollar in aid Australia gives we receive three dollars back. Aid is big business for Australia. Since the 1950s, the United Nations’ foreign aid target has been 0.7 per cent of the GDP, yet Australia has never reached this figure. World Vision Australia’s chief advocate, Tim Costello, told *The Sydney Morning Herald* that, “Aid was at its highest under Menzies, at 0.5 per cent.” From 1963 to 1970 Australia’s highest figure reached 0.62 per cent, and since then, our share of aid to Gross National Income (GNI) declined to 0.22 per cent (2016-17), our lowest on record.

Australia’s Official Development Assistance (ODA) in 2020–21 was \$4 billion, under the federal government’s current freeze on foreign aid. The majority goes to Papua New Guinea and the Pacific nations, to strategically counter China’s influence in the region. The Lowy Institute identified a “surge” in foreign aid to the Pacific since 2018, “as geopolitical competition in the region began ramping up,” between Australia and China.

There are many criticisms of the



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# AND GROWING WORLD POVERTY

Washington Consensus policies, which are market-oriented and focus on reducing government intervention. Free trade is not in the best interest of developing economies as it makes them vulnerable to market price fluctuations and market crashes. The Washington Consensus enforces the privatisation of state owned enterprises (SOEs) which leads to companies ignoring the social needs of the economy. It also enforces the increased deregulation of market controls which leads to financial and market volatility. Public sector initiatives, such as primary education, primary health care and infrastructure investment are ignored. The consequences of foreign banks giving massive loans to countries that can ill afford them, was the Latin American Debt Crisis of the 1980s and the South East Asian Crisis in 1990s. The credit crisis of 2008, the Global Financial Crisis (GFC), illustrates that free markets are unstable and stock market crashes lead to bankruptcies and high unemployment.

The Washington Consensus had its beginning in 1944, when the United States, the United Kingdom, Canada, Australia and forty-one other countries signed the Bretton Woods Agreement. This regulated the international monetary system through the IMF. The English economist, John Maynard Keynes advocated deficit spending on labour-intensive infrastructure projects to stimulate employment and stabilise wages during economic downturns, now referred to as Keynesian economics.

Today the World Bank operates in 142

countries worldwide. These institutions were set up to rebuild Europe after the war, to control international currency speculation and to reduce the inflation springing from the Marshall Plan pouring millions into Europe. They were not designed for use in Third World economies, which did not have highly trained and educated populations, nor did they have the infrastructures to develop modern economies. It resulted in: Third World countries forcing the driving down of wages; increased unemployment; reduced government spending; and the privatisation of SOEs. This was in order to pay off foreign bank loans, which directly led to civil unrest and political instability.

To ensure international trade stability after World War II, the US agreed to converting paper dollars for gold at \$35 per ounce (31 grams). This financial agreement made the dollar the lynchpin of the international monetary system. The Bretton Woods system ended in 1971, when US President Richard Nixon stopped the conversion of dollars for gold. Two years later the current system of floating exchange rates on the international market was put in place. In 1983 the Australian Labor government of Bob Hawke moved the Australian dollar onto a floating exchange rate, making the dollar vulnerable to currency speculation.

More than half of the world's foreign exchange reserves are in US dollars. The dollar is still the most frequencies used currency used for international trade and every international transaction involving US

dollars incurs a fee paid to the US treasury. Countries usually need to hold US dollar reserves to assure creditors that debt payments denominated in foreign currencies can be met. Central banks hold US Treasuries bonds. Commodities such as oil are bought and sold using US dollars. Numerous countries peg their own currencies to the dollar, such as Saudi Arabia, while others use the dollar as local currency, such as Belize and Panama. This centrality of the US dollar ensures that it will not be replaced as the leading reserve currency any time soon.

The World Bank says it assists the poor by "tackling multifaceted challenges, safeguarding human capital, and providing social safety nets to target their most vulnerable people." Its "Green" projects are based on a framework "which supports green, resilient, and inclusive development" to help address the longer-term challenge of climate change. These "Green Washed" projects are aligned with the goals of the Paris Agreement, starting in 2023. Since 2016 climate projects totalled over US\$26 billion, thirty-five per cent coming from the World Bank Group. To reduce debt distress in more than forty countries, the World Bank, the IMF and the G20 (Group of the world's twenty top economies), through the Debt Service Suspension Initiative, suspended debt service payments in excess of \$5 billion. This does not nearly go far enough to alleviate the problem.

When a country is unable to make payments on its bank loans, the IMF is called in

for the country to restructure its debts. This requires Structural Adjustment Programs (SAPs) to establish fiscal discipline by privatising SOEs, reduce public spending, reform tax policy, allow the market to determine interest rates and to maintain a competitive exchange rate, liberalise trade, cut wages, reduce welfare spending, increase foreign direct investments, deregulate corporate barriers to entry and exit, and the guaranteed right to own private property. These Washington Consensus policies diminish or eliminate a country's social and welfare responsibilities, the consequences of which have led to civil unrest, poverty and malnutrition in the Third World.

Australia's bilateral aid has had little attention in the upcoming election. In the recent budget the ODA will increase to \$4.089 billion, marginally up from last year. No increase if taking inflation into account. The then Minister for International Development and the Pacific, Senator Zed Seselja, said that of this, \$1.85 billion will go to the Pacific to provide "vital humanitarian assistance." The present government has given too little aid to countries that desperately need assistance, following the natural disasters brought on by climate change, the COVID-19 pandemic and social unrest in the region. If Australia does not increase its lending, these countries' only alternative, apart from China, is to seek loans through the World Bank, and bear the consequences. ❌



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# THE FUTURE OF LATIN AMERICA

Emir Sader

**Latin America entered the twenty-first century dominated by neoliberal governments. It was the region of the world with the most neoliberal and the most radical governments.**

Neoliberalism arrived in Latin America through the “Chicago Boys” during the Pinochet dictatorship. As a result, it was the region where the greatest manifestations of popular resistance to the effects of neoliberal policies emerged, from the *caracazo* in Venezuela in 1989 to the demonstrations in Argentina at the beginning of this century and the expression of anti-neoliberal governments.

The continent experienced an impressive sequence of elections of anti-neoliberal governments: Hugo Chávez in 1998, Lula in 2002, Néstor Kirchner in 2003, Tabaré Vázquez in 2004, Evo Morales in 2005, Rafael Correa in 2006. These governments favoured social policies instead of fiscal adjustments, regional integration processes instead of free-trade agreements with the United States, and the rescue of the active role of the state instead of the centrality of the market.

The first decade of the twenty-first century was marked by these governments, which managed to significantly reduce inequalities, unemployment and poverty in these six countries. And the main leftist political leaders in the world were projected.

In the second decade there were crises in some of these governments, the ephemeral return of conservative governments – some by means of coups d’état – until the anti-neoliberal governments spread to Mexico, Honduras, Chile, and Peru. This continent reaches the third decade of the century with the possibility of Colombia and Brazil joining this group of governments, constituting the largest bloc of progressive governments the continent has ever known. This, at the same time, represents the greatest isolation of the United States in Latin America.

From the third decade of the century, what future can we imagine for Latin America?

The first question is: To what extent will progressive governments be able to overcome neoliberalism and install a new economic model? To what extent will they be able to move from being anti-neoliberal to post-neoliberal?

This is a major obstacle, because neoliberalism continues to predominate in capitalism on a global scale. Moreover, even in Latin American countries the weight

of financial capital continues to be great, blocking the possibility of resuming a new cycle of economic growth, a condition for the generation of employment and income distribution policies.

It will be a great challenge for progressive governments to implement policies that can turn the page of neoliberalism. This is only possible through three factors. The first is the integration of Latin American governments and the construction of co-ordinated economic policies. The second is the need to overcome Latin America’s isolation, which can be done through the BRICS (Brazil, Russia, India, China, and South Africa), a space that brings together governments in favour of a multipolar world with emerging countries. The third is the need to build another type of state that can radically democratise our societies.

The future of Latin America depends on these factors, but it depends especially on the future of some crucial countries of the continent, such as Brazil, Argentina, Mexico, Colombia, and Bolivia, whose weight in the continent is decisive. It requires that in Argentina the right wing, taking advantage of the government crisis, cannot win the next presidential election, that Peronism manages, once again, to have a consensual candidacy, and to give continuity to the reconstruction of the country; that López Obrador, despite the sabotage of major companies, manages to make the Mexican economy grow again, in order to support the government’s social policies; that Petro triumphs in Colombia and succeeds in pacifying the country after decades of violence and instability; that Lula be re-elected president in Brazil and succeed in recovering the country from the worst crisis in its history and once again become the great leader that Brazil needs, with an outstanding international performance, projecting Latin America once again at the epicentre of democracy.

The future of Latin America is open. It already has several progressive governments and strong popular anti-neoliberal support. But the survival of neoliberalism in the continent and in the world, and the existence of a right-wing and a far-right that is here to stay, present challenges that Latin American governments and political leaders have to face.

The fate of Latin America in the coming years will define the destiny of the continent in the entire first half of the century and, in some way, will weigh on the fate of neoliberalism and post-neoliberalism in the world.

*Socialist Voice* ✪



Lula – Photo: Ricardo Stuckert / Presidência da República – (CC BY 3.0 BR)



Latin American Festival – Photo: GoToVan flickr.com (CC BY 2.0)



# THE UKRAINE WAR IS BEING EXPLOITED TO ENFORCE AN ANTI-COMMUNIST READING OF HISTORY

*Morning Star Editorial*

**At Davos, Ukrainian President Volodymyr Zelensky received a standing ovation as the defiant democrat leading his people against the Russian invasion.**

In Ukraine, a new list of “undesirables” accused of sympathy with the invaders has been published.

Such lists – familiar in this country from the likes of “red-watch,” a far-right site which provided personal information about left-wingers – aim to intimidate socialists and provide fascists with targets for a beating or worse.

In Ukraine they have proved deadly serious: journalist Oles Burzina and MP Oleg Kalashnikov are among those murdered after appearing on them.

As Ukrainian academic Olga Baysha points out, their killers have been widely identified in Ukraine but have not been touched by police, much as no-one has yet been brought to justice for burning forty-two opponents of the Maidan coup to death in Odessa’s House of Trade Unions on 2nd May, 2014.

With Russian bombs raining on Ukraine, critics will say now is not the time to be making criticisms of the Ukrainian government.

Restrictions on dissent and

concerns over treachery are familiar wartime measures, after all.

Even so, idolising Zelensky’s government carries real dangers because of Ukraine’s role as a laboratory for rehabilitation of far-right ideology and promotion of a revisionist history of the 20th century which is deeply hostile to socialism.

The mass media portray this conflict as a clash between good and evil, but we need not be so naive.

Most socialists were quite capable of opposing the invasions of Afghanistan and Iraq without making saints of the Taliban or Saddam Hussein.

The same objectivity should be shown in the face of attempts to rehabilitate neonazis like the Azov Battalion, whose role in opposing the Russian conquest of Mariupol has prompted a flood of friendly coverage.

Rebranding these fascists as “patriots” makes arming them more palatable. Yet the outsized role they have played in Ukraine since 2014, despite attracting a tiny share of the vote, shows the danger in endorsing them.

Ukraine’s government is not fascist, but a right-wing fringe has

wielded enough influence to set the agenda in banning communist opposition and instituting official holidays honouring Nazi collaborators like Stepan Bandera.

Now their version of European history is being deployed to attack left-wingers over here. Last week a trade unionist’s past remarks on the Soviet famine of the early 1930s were savaged by the Association of Ukrainians in Great Britain as “Holodomor denial” in a comment explicitly equating this to Holocaust denial.

The concept of the Holodomor – viewing the 1930s famine as a deliberate genocide of Ukrainians by the Stalin government – has been rejected even by anti-communist historians like Stalin biographer Stephen Kotkin.

His arguments – that the famine hit many Russian regions just as severely as Ukraine, and some states like Kazakhstan even harder; and that there is no evidence it was intentional – are clearly not defences of the Soviet Union nor attempts to downplay anyone’s suffering.

They remain unacceptable to Ukrainian nationalists because the Holodomor narrative exists precisely to assert an equivalence with the Holocaust and through it an equivalence between Nazi Germany and the Soviet Union.

How rapidly these equivalence theories prove conveyor belts for the open reassertion of nazi-style ideology was clear last year when Ukrainian fascists demonstrated



Ukrainian President Volodymyr Zelensky – Photo: www.president.gov.ua (CC BY 4.0)

outside the Israeli embassy demanding that “Jews” apologise for the Holodomor – a revival of the old “Judeo-Bolshevik” narrative of the Nazis.

Ukraine is far from the only European country with a fascist problem. Anti-semitic conspiracy theories are also commonplace in Russian politics.

But Ukraine is where our government is directly arming

fascist militias. Socialists must not park their reservations about this through a misplaced belief that solidarity with Ukrainians means solidarity with their government.

And as the charge of “Holodomor denial” indicates, accepting that government’s narrative means swallowing a highly ideological reading of history aimed at delegitimising communism and discrediting the socialist left. ✪

## ISRAEL REGISTERS INCREMENT IN ARRESTS OF PALESTINIANS IN APRIL

**Israeli occupation forces have imprisoned some 1,228 Palestinians during April, according to figures revealed on Monday by several non-governmental organisations led by the Jerusalem-based Wadi Hilweh Information Center.**

The count, in which the Commission for Prisoners’ and Ex-Prisoners’ Affairs, the Palestinian Prisoners Club and the Addameer Foundation for Prisoners’ Care and Human Rights also participated, put the number of minors and eleven women victims of Zionist imprisonment during April at 165.

According to these institutions concerned with prisoners’ affairs, the Israeli authorities launched a

massive campaign of arrests during the last month, which is the highest rate of arrests since the beginning of this year.

The release indicated that the highest arrest rate was recorded in Jerusalem, where it recorded 793 arrests, including 139 minors. According to the statement, Israel has issued 154 administrative detention orders (without charges) – 68 new orders and 86 extension of detention orders.

Furthermore, the communication noted that the arrests were accompanied by “serious violations against the detainees and their families, as well as after their transfer to investigation and detention centres, in addition to

the recording of various injuries, including serious ones among the detainees, shot by the Israeli army.”

The set of institutions indicated that “the Israeli authorities shot at the detainees and used the policy of collective punishment that affected most of their families through vandalism and destruction of homes, and the use of police dogs and other methods.”

The information further states that the number of Palestinian prisoners in Israeli prisons reached some 4,700 as of last April, including thirty-two women and 170 minors, while the number of administrative detainees reached some 600.

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# JAPAN: MINIMUM HOURLY WAGE HIKE VITAL TO REDUCE ADVERSE IMPACT OF PRICE SURGE

A surge in prices due to supply chain disruptions mainly caused by the COVID-19 pandemic and Russia's invasion of Ukraine has become serious. In Japan, the abnormally weak yen, created through quantitative easing measures under the "Abenomics" economic policy, is fuelling price inflation. Under this situation, an increase in minimum hourly wages and a reduction in the consumption tax rate are vital to ease impacts of skyrocketing prices on the general public, especially on low-income individuals.

Amid the worldwide price hike, more and more major countries have decided to increase their minimum wages. The UK's minimum hourly wage went up to 9.5 pounds in April, France's to 10.85 euros in May, and Germany's to 12 euros in October. In the US for example, the minimum wage in Los Angeles will be raised to 16.04 dollars an hour in July. Converted into yen, minimum hourly wages in these countries are between 1,500-2,000 yen.

In contrast, Japan has been very slow in increasing the minimum wage. In Japan, the average minimum wage in FY2021 stood at 930 yen an hour, which amounts to about 1.7 million yen a year, the working-poor level.

The results of a survey by the National Confederation of Trade Unions (Zenroren) on the minimum cost of living indicate that a 25-year-old single person living in Osaka would need a monthly wage of at least 244,951 yen, equivalent to 1,633 yen per hour, to cover their basic daily needs.

It is urgently needed for Japan to increase the minimum hourly wage substantially in order to boost the country's economy. The Cabinet Office, on the 3rd March, at a meeting of its Council on Economic and Fiscal Policy presented data which recognised that the widespread use of non-regular workers is a factor for the increase in the number of low-income earners whose annual earnings remain at the 2-million-yen level.

A minimum wage hike is very effective in not only providing higher wages to non-regular workers but also decreasing economic inequality. In addition, if the minimum wage is increased, it will contribute to higher consumption and energise the Japanese economy.

In a survey conducted jointly by the Japan Chamber of Commerce and Industry and its Tokyo chapter in April, the percentage of small and medium-sized enterprises which support higher minimum wages increased to 41.7 per cent from 28.1 per cent in 2021 while 36.6 per cent said that the current minimum wage level should be maintained.

Under the 10-year-long "Abenomics" economic policy, large corporations enjoyed tax breaks amounting to 40 trillion yen. The Japanese Communist Party proposes that these companies return 10 trillion yen in their internal reserves to the state coffers in the form of taxes so that the government can use this additional tax revenue to reduce SMEs' burden of paying social insurance premiums, which will help them to increase their employees' wages. The need now is to increase public movements that push the government to take measures to realise a substantial increase in the minimum wage.

*Japan Press Weekly*

(Communist Party of Japan) ✪



A worker repairing the street in the Tsukiji section of Tokyo. Photo: Mark Fischer – flickr.com (CC BY-SA 2.0)

## PRESIDENT HO CHI MINH'S 132ND BIRTH ANNIVERSARY MARKED IN RUSSIA, UKRAINE, THAILAND

**Russia's Saint Petersburg administration held a conference on the 19th May to mark the 132nd birth anniversary of President Ho Chi Minh as part of activities within the cooperation framework between the Saint Petersburg External Relations Committee and Vietnam.**

Speaking at the event, Vice Chairman of Saint Petersburg's Legislative Council Nikolai Bondarenko emphasised that the executive and legislative agencies of Russia and Vietnam will make efforts to promote cooperation between Saint Petersburg and other Vietnamese localities. Saint Petersburg plans to soon establish new relationships

between the city's Legislative Council and People's Councils of Vietnamese localities.

Vietnamese Ambassador to Russia Dang Minh Khoi highly appreciated the initiative of the Saint Petersburg administration in organising many activities within the framework of "Vietnamese days in Saint Petersburg" programme, while expressing his thanks for the city government's continuous efforts to foster the Vietnam-Russia Comprehensive Strategic Partnership.

He said that President Ho Chi Minh's revolutionary life was closely linked with the Soviet Union, the great October Socialist Revolution and VI Lenin leader of the world

proletariat. Saint Petersburg is also the first place Uncle Ho set foot in Russia during his journey to find a way to liberate the country.

A statue of President Ho Chi Minh is expected to be installed in a square in Vyborgsky District on this occasion.

The Ukrainian Cultural Fund, named after Boris Lyinik, coordinated with the Vietnamese Embassy in Ukraine to hold a meeting in Odessa on 19th May with the theme "Odessa discovers Vietnam" on the occasion of the 132nd birth anniversary of President Ho and the 30th anniversary of the diplomatic ties between Vietnam and Ukraine.

The organiser and Ukrainian delegates emphasised the

importance of the celebration of the birth anniversary of President Ho Chi Minh, a great man of culture and a great celebrity of the world. The commemorative activities also contribute to promoting cultural diplomacy and mutual understanding between the people of Ukraine and Vietnam, especially among the young generation.

Ambassador Nguyen Hong Thach gave thanks for the initiative of Ukrainian friends in organising very meaningful cultural activities on the occasion of the 132nd birth anniversary of President Ho Chi Minh and the 30th anniversary of diplomatic relations. The Ambassador stressed that the outstanding ideas of President Ho Chi Minh

still remain valid today, including the ideology of solidarity and the value of freedom.

The authorities of Nakhon Phanom Province in north-eastern Thailand, in partnership with the Consulate General of Vietnam in Khona Kaen and the Thai-Vietnamese Association of Nakhon Phanom Province, held a ceremony to celebrate the 132nd birth anniversary of President Ho Chi Minh.

The delegates laid wreaths and offered incense to the late President at his altar at the President Ho Chi Minh Memorial Site, expressing their respect and love for the beloved leader of the Vietnamese nation.

*Nhân Dân* ✪



# BIDEN'S REMARKS ON "INTERVENING MILITARILY" IN TAIWAN SIGNALS HOLLOWING OUT ONE-CHINA POLICY

**By stating the US would intervene militarily if the Chinese mainland takes the island of Taiwan by force, the Biden administration is taking a step further to hollow out the one-China policy. Biden's remarks have led to China's strong opposition. Analysts warned that as the US and its proxies, especially Japan, are using the Ukraine crisis to promote a cognitive battle to help with the de facto "independence" of the island of Taiwan, their schemes would encounter a stronger response from the Chinese mainland as the mainland makes no compromise on its core interests.**

Speaking with Japanese Prime Minister Fumio Kishida after their first summit on Monday, Biden said that the US would intervene militarily if the Chinese mainland takes the island of Taiwan by force. Kishida said that "unilateral attempts to change the status quo by force, like in Ukraine, should never be tolerated in the Indo-Pacific." He also added that he and Biden underscored the importance of peace and stability in the Taiwan Straits.

Biden's words attracted attention from many global media which made headlines of them. China has expressed its firm opposition to the US president's remarks.

At a routine press conference on Monday, Chinese Foreign Ministry spokesperson Wang Wenbin said that the island of Taiwan is an inalienable part of China and the Taiwan question is "purely China's domestic affairs," which allows no interference from foreign forces. China has no room to make any compromise in questions that relate to its core interests on territory integrity and sovereignty.

This is not the first time that Biden made a security guarantee to the island of Taiwan. These remarks are not gaffes but dangerous signals that the US would further scrap its one-China policy, analysts said.

In October 2021, Biden said that the US would protect Taiwan in the event of the Chinese mainland's "attack." As in 2021, an anonymous

official from the White House soon came out and was cited by Reuters as saying there would be no changes to the US' policy toward the island of Taiwan.

As with his remarks in October, what Biden said on Monday was inconsistent with the US government's traditional position on this issue which is usually described as "strategic ambiguity," and together with a string of moves the Biden government is taking a step further to hollow out the one-China policy, said Da Wei, director of the Center for International Security and Strategy of Tsinghua University in Beijing on Monday.

Da noted that Biden also cunningly left room for the US on the topics. "Sending troops is military interference, offering weapons and military intelligence and conducting rescue can also be interpreted as 'intervening militarily' [...] the Biden administration is playing the card on the island to not only cater to pro-Taiwan politicians in the US but also to serve its strategy toward China," said Da.

However, given the sensitivity of the Taiwan question, playing tactics through either words or actions will lead to no good result. Da said that "if the Biden administration insists on doing so, China-US relations would be like the Titanic hitting an iceberg – ending in crisis or worse."

Biden also said that deterring China from taking the island was one reason why Russia needs to "pay a dear price" for the conflict with Ukraine. He added that any effort by China to use force against Taiwan would make China "dislocate the entire region" and "be another action similar to what happened in Ukraine."

The US is trying to conflate the Ukraine issue with the Taiwan question and to deny China's sovereignty over the island of Taiwan, Sun Chenghao, a research fellow from the Center for International Security and Strategy of Tsinghua University, told the *Global Times* on Monday.

"However, Ukraine and the island of Taiwan are completely different. Yet by deliberately

conflating the two, the US is trying to mislead Asia-Pacific countries and make them think that the Asia-Pacific region is at risk of a similar conflict," Sun said. "Such statements can add legitimacy to the US' 'Asia-Pacific Strategy' and its interference in the Taiwan question."

Recent US actions on the island of Taiwan indicate that there has been a tendency of changing the US "strategic ambiguity" toward clarity. The US has not totally abandoned its one-China policy, but the trend is very dangerous. The US is testing the Chinese mainland's bottom line step by step, said Sun.

For example, in mid-May, the US State Department was found making extensive adjustments and revisions to its statements on the so-called US-Taiwan relations on its official website, deleting "The United States does not support Taiwan independence" and the acknowledgement of the government of People's Republic of China as the sole legal government of China, and that there is only one China, of which Taiwan is a part.

US politicians have mooted taking issues of taking the island of Taiwan into the US-led "Indo-Pacific Economic Framework" – a geopolitical tool to isolate China from the global supply chain, and pushing to invite Taiwan to the World Health Assembly.

Experts said that no matter whether it adopts "strategic ambiguity" or "strategic clarity", Chinese people's determination to solve the Taiwan question won't be affected, and will stick to the original pace.

Analysts criticised the US' frequent playing of the "Taiwan card" and warned the secessionists in the island that US' promises to the island are just lip services and when the Chinese mainland is pushed to take determined and swift actions toward the island, the US, like what it has done to other "allies," will have no time and no willingness to come to Taiwan's rescue.

In early May, the Chinese People's Liberation Army (PLA) held a large-scale joint exercise surrounding the island of Taiwan from both sides, a move demonstrating the

PLA's high level of combat preparedness over Taiwan – a strong warning to "Taiwan independence" secessionist forces and external interference forces at a time when those forces repeatedly made wrong remarks and actions on the Taiwan question.

## JAPAN'S AMBITION

As a close ally of the US, Japan has also frequently hyped the Taiwan question before and during Biden's visits. Analysts said that Japan is also using the timing of the Russia-Ukraine conflict to create "legitimacy" for itself to intervene in China's internal affairs and creating an opportunity to become a "global pivotal" ally for the US and to play a bigger role in the global arena.

Japan has always taken China, Russia and North Korea as its major security "threats" and cited these factors to further develop its own military capability. Moreover, Japan thinks that the Russia-Ukraine conflict will bring major changes to the international geopolitics, affecting both Europe's and Russia's strength, and influence offering Japan an opportunity to take the role of second major power in the West, Hu Jiping, vice president of the China Institutes of Contemporary International Relations, told the *Global Times* on Monday.

Observers have noticed Japan's latest adjustments on its policies, including actively sanctioning Russia, promoting a military budget, and pushing its own constitutional amendments.

Instead of just being a US vassal, Japan has a more ambitious strategy, Hu said, noting that Japan wants to have military strength and international political stature that match its economic status as the world's third largest economy.

Aside from hyping the "China threat," the US and Japan also released a joint statement after Biden and Kishida's summit on Monday, in which they mentioned reforms to the United Nations, Ukraine crisis, the US support to reinforce Japan's defense capability, maritime activities and many other fields.

Given the topics and results of the summit, the US-Japan alliance has shown a tendency on "pan-security" – evolving from a traditional military alliance to a military security, ideology and economic and technological alliance, Xiang Haoyu, a research fellow at the China Institute of International Studies, told the *Global Times* on Monday.

Such a strong version of a US-Japan alliance clearly targets China, Xiang said. He noted that Japan has been and will always be a pawn, and that all promises the US has made to Japan aim to make it better serve the US strategy to contain China.

Some Japanese media have described the Monday summit as the "most important one in twenty years" and the most important occasion after Kishida took office as Japanese prime minister in October 2021.

In response, Xiang said that boasting of the "importance" of the summit is more like self-complacency. To the outside world, it is nothing special, except that Japan is too obvious to hide its goal of using the US to lift its international status and influence.

The summit will not change the unequal status between the US and Japan, said Xiang.

Analysts noted that since the start of the Ukraine crisis, Japan has tried its utmost to hype the "deteriorating security environment" of Japan and further promote boosting its military capability. By manipulating public opinion, the Japanese elites have created an atmosphere of working with the US to counter China, Russia and North Korea.

The Anti-war voices from scholars, politicians and media in Japan have been lowered with less rationality or flexibility in Japan's diplomacy, Xiang said, noting that in history, Japan had gone off the rails by hyping external risks. The current dangerous political situation should ring alarm bells for other countries, especially those in Asia.

*Global Times* ☀

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## The Guardian


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# FORMULA SHORTAGE: MONOPOLY CAPITALISM IS STARVING AMERICAN BABIES

CJ Atkins

**USA: With store shelves stripped of baby formula, families across the country are getting desperate. Hungry babies cry, with bellies not quite full enough. Some parents report spending hundreds of dollars to ship a few precious cans from another state. Moms who live close enough to the northern border say they've been driving across to Canada, where stores were still well-stocked, at least until recently. But still, they can't find enough.**

Doctors and public health officials are encouraging moms to breastfeed and pump more, but that's not a solution for everyone. Some mothers are unable to produce the amount of milk their babies need. Or a child's particular health issues may mean they can't take breast milk.

The immediate reason for the disappearance of baby formula from retailers is a bacterial outbreak at a Michigan factory belonging to Abbott Nutrition that makes the Similac line of products. Several babies became sick, and two later died. A former Abbott employee whistleblower had warned the Food and Drug Administration about food safety violations, including lax cleaning and falsification of records, at the Michigan plant back in October. The FDA didn't inspect the plant until the end of January. Recalls began in mid-February, and the plant was then closed.

Pandemic-induced supply chain problems and supposed labor shortages added to the trouble. The problem goes beyond simply a screw-up at a single plant or COVID economic disruptions, though. These parents and their babies are in a struggle for survival against monopoly capitalism. The concentration of baby formula production in a few corporate hands has left the whole nation vulnerable to a crisis exactly like the one now unfolding.

## DESPERATE MEASURES

"It gets really scary," Alabama mom Carrie Fleming told the *New York Times*. Only one brand of formula is tolerated by her three-month-old daughter Lennix, and it's nowhere to be found in Birmingham, where they live. After telephoning stores across the country, Fleming managed to locate four small cans in New York. The cost to buy them and get them to Birmingham? \$245. Private sellers online are making a killing with price-gouging.

Those without the cash or time to undertake a nationwide search – working-class moms and dads – have been reduced to watering down formula or rationing it. Carrie Fleming, for instance, has been putting a half-scoop less into every bottle. Or they search online for homemade formula recipes. They're trying to stretch what they've got but are left with the terrifying guilt of wondering whether their baby is getting the nutrition they need.

"We tried Amazon. We tried every pharmacy in town. We called Similac to see if there was anything they could do. They just apologised for the inconvenience," one

mother, Heather Gliva, told the press. "I was so frustrated [...] I would just start crying because I didn't know what else I could do."

In San Antonio, Maricella Marquez told a reporter that she was down to the last can of the expensive special formula required by her 3-year-old daughter due to a rare allergic disorder. Her husband works at a grocery store, where health insurance covers eighty per cent of the cost of the prescription-grade formula. But even then, the family is still spending \$375 a month to feed their child – when the formula is available. Now, they're sampling other products, hoping they don't put their daughter in the hospital. "I have no other choice," Marquez said.

In her Latino-majority city, the formula shortage rates are the highest in the country, with nearly sixty per cent less supply available than normal. Many moms here lack health insurance, work at low-wage jobs with little time allowed for breastfeeding, and get a lot of the food their families need every month from food banks – including the formula for their babies.

## MILK MONOPOLY

Finding the reasons for this assault on families' basic ability to survive requires looking beyond the typical explanations given for the "everything shortage" that defines the economy right now. More is at work than just logistics challenges or supposed worker shortages. Those issues were already facing formula producers before the current acute shortage.

The baby formula crisis is a monopoly problem, and it's a capitalism problem.

The formula industry in the United States, like so many others, is highly concentrated. Just three companies – Abbott, Gerber, and Reckitt – account for nearly 100 per cent of the formula consumed by American babies. Abbott, the owner of the Michigan bacteria-infected plant, alone accounts for around forty per cent of the market.

When that single Michigan plant went offline, it immediately shook the entire supply chain. The market for baby formula is extremely stable, with little fluctuations in the amount consumers purchase from year to year. That means manufacturers produce just at the level of what will sell, with no excess capacity in case of a problem at one plant or company.

And with a corporate trifecta controlling nearly the entire market, that means there are few other producers to pick up the slack when trouble arises.

Less competition for these monopoly manufacturers means the prices they charge parents are higher than they would be if capitalism lived up to its alleged "free market" rhetoric – moms and dads have no alternative. It also means they can keep the wages they pay workers lower.

"Abbott does not fear consumers will leave," Sarah Miller of the American Economic Liberties Project told the *Times*. She and her organisation want to revive the days of trustbusting and break up concentrated corporate power. Nor does Abbott really



fear the government, which Miller says "has a pathetic track record when it comes to holding powerful corporations and executives accountable."

In fact, government regulations have helped maintain the baby milk monopoly. Even though formulas manufactured and sold in other countries often exceed Food and Drug Administration nutritional requirements, they are kept out of the US market through technicalities like labeling standards. Many formulas manufactured in Europe, for instance, may even be healthier for babies because cheap additives used in US formulas like corn syrup are banned.

Former President Donald Trump's new NAFTA, the US Mexico-Canada Agreement, also put up barriers to imports from Canada. Under pressure from the US Export Dairy Council, then headed by current Agriculture Secretary Tom Vilsack, the US government added a provision to the trade deal that put a cap on Canadian infant formula exports anywhere in the world. The measure was aimed not just at keeping Canadian formula out of the US, but also to limit Canadian sales to China, where parents try to rely on foreign supplies of formula since a 2008 tainting scandal. The Trump administration wanted to lock in some of those sales for US companies.

But with US capacity now partially crippled, it means Canadian formula is blocked from importation. The USMCA hindrance comes on top of the 17 per cent tax that the US government puts on imported formula, no matter the origin.

Further insult to injury came on Wednesday night when Republicans in Congress tried to sink emergency legislation to tackle the formula shortage. The bill, called the Infant Formula Supplemental Appropriations Act, would speed \$28 million to the FDA to respond to the scarcity. Democrats backed the bill, but 192 Republicans voted no. They were more concerned with trying to shift blame to President Joe Biden than with helping families.

Add it all together and you get a protectionist racket that guarantees the monopoly

profits of just three manufacturers and leaves the babies of the nation and their parents vulnerable to any little mistake in the supply chain.

## MAKING CHILDREN A NATIONAL PRIORITY

A long-term solution would be ending monopoly capitalism and replacing it with a socialist system that puts people before profits. But even before that day comes, there are measures that can be taken right now to address this crisis.

Rep. Rosa DeLauro, D-Conn, has proposed using the Defense Production Act – which was used during COVID to compel corporations to produce needed pandemic supplies – to issue orders to formula manufacturers to produce at set prices.

"Parents shouldn't have to pay a price because Abbott has a contaminated product," DeLauro said last week. "If there was a shortage, why weren't we in the business of making sure that wasn't happening? What did we do in times of crisis in the Second World War? We produced what we needed to produce."

DeLauro says she's looking into a proposal to include baby formula in the Strategic National Stockpile. The US already keeps a huge stockpile of oil for times of shortage or national emergency. Surely the food needed to feed the babies of the nation qualifies as an essential good that should be always kept in reserve.

Sen. Sherrod Brown, D-Ohio, has suggested a stronger planning role for the FDA, which would see the agency monitor all the components of the formula manufacturing process – aluminium packaging, vegetable oil, lactose, and such – to head off shortages before they happen.

All of these are things to be pursued before the next crisis, but what are parents to do for their hungry babies right now?

Capitalism's answer is the same as it's always been: You're on your own.

*People's World* ✪



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