

**Program  
of the  
Democratic  
Socialist  
Party**

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# Contents

<b>Preamble</b> .....	<b>7</b>
<b>Part I. The Capitalist World System</b> .....	<b>9</b>
<b><i>Section 1. The Capitalist System, Its Contradictions &amp; Development</i></b> ...	<b>10</b>
The contradictions of capitalism .....	10
The stage of monopoly capitalism (imperialism) .....	12
The role & character of the state under capitalism .....	16
Imperialism & the struggle for socialism .....	20
From the first to the second stage of the general crisis of capitalism .....	24
Late monopoly capitalism .....	29
The third stage of the general crisis of capitalism .....	33
<b><i>Section 2. Capitalism &amp; the Threat to Human Survival</i></b> .....	<b>37</b>
War & the threat of nuclear annihilation .....	37
The growing ecological crisis .....	39
<b>Part II. The Origins &amp; Development of Capital &amp; Labour in Australia</b> .....	<b>43</b>
<b><i>Section 1. Australian Capitalism</i></b> .....	<b>43</b>
A settler outpost of British capitalism .....	43
Development of the Australian capitalist nation-state .....	45
Australia's role in the world imperialist system .....	48
Specific problems of the Australian capitalist economy .....	49
<b><i>Section 2. The Australian Working Class</i></b> .....	<b>52</b>
Distinctive features of the Australian labour movement .....	52
The formation & role of the Australian Labor Party .....	54
The Australian working class today .....	56

**Part III. Socialist Strategy & Tactics ..... 59**

**Section 1. The Conscious Character of the**

**Movement for Socialism ..... 59**

- The need for a revolutionary party ..... 60
- The role & character of the revolutionary party ..... 61
- The role of a socialist youth organisation ..... 63
- The main tasks of socialist strategy & tactics ..... 64
- Revolution & the struggle for reforms ..... 67
- Forging working-class unity ..... 68
- Socialists & the trade unions ..... 69
- Socialist electoral tactics ..... 74
- Socialists & the Australian Labor Party ..... 75
- Mobilisation of the allies of the working class ..... 78
- Self-organisation of the masses & the struggle for power ..... 81

**Part IV. Socialist Solutions to the Crisis of Capitalism ..... 84**

**Section 1. Defending & Extending Democratic  
& Human Rights ..... 85**

- Defence of trade-union rights & civil liberties ..... 85
- Parliamentary versus genuine democracy ..... 86
- Economic democracy ..... 86
- For the liberation of women ..... 87
- Against the suppression of human sexuality ..... 92
- Against racial & ethnic discrimination ..... 95
- Full equality for Aborigines ..... 97
- For the rights of young people ..... 98

**Section 2. For Protection of the Environment ..... 101**

**Section 3. For Peace & International Solidarity ..... 104**

**Section 4. Defending Living Standards & Working Conditions ..... 107**

**Part V. The Socialist Transformation of Society ..... 112**

**Section 1. Democracy & the Transition to Socialism ..... 113**

- Democracy & the struggle for workers' power ..... 115
- Workers' democracy & the building of socialism ..... 116
- Revolutionary leadership & the transition to socialism ..... 119

<b>Section 2. The Danger of Bureaucratism in the Transition Period .....</b>	<b>123</b>
Combating bureaucratic tendencies .....	124
The causes of Stalinist totalitarianism .....	125
The anti-socialist nature of Stalinism .....	130
<b>Section 3. Stages in the Transition to Socialism .....</b>	<b>135</b>
The first stage of the transition period .....	135
The second stage of the transition period .....	136
The socialist society .....	140



# Preamble

Humanity today stands at a crossroad. The knowledge and productive capacity that already exist could, if used rationally, enable all people not only to be supplied with the material means for a full and ample life but also provide for a vast advance in humanity's social and cultural development. The other alternative is already visible around us. It is the further intensification of human misery, destruction, and absurd contradictions that now abound.

While the economies of the industrialised capitalist countries stagnate under the weight of unsold products, billions of people throughout the world face increasing poverty, homelessness, unemployment, and hunger. In addition to these grave social problems, the threat of self-destruction — from the increasing pollution of the planet's air, water and land or as a result of the unleashing of the accumulated stockpiles of nuclear weapons — looms over the whole of humanity.

The after-effects of a global nuclear war would almost certainly make our planet uninhabitable. The destruction of the Earth's ecology through pollution leads in the same direction. However, while a nuclear war is an ever-present *potential* danger, the destructive effects of pollution are the product of both past and current human actions which are already having a dramatic impact on the natural environment. If the accumulating impact of pollution — which stems from the way contemporary society organises the production of its means of subsistence — is not halted in the near future, the increasing damage it is inflicting on the Earth's ecological systems will lead to an irreversible and generalised catastrophe.

Only through a revolutionary change in the system of ownership and management of society's productive wealth can working people guarantee themselves — and humanity as a whole — a future. Ownership and control of society's productive resources must be taken out of the hands of the capitalist minority and transferred to

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society as a whole, and subordinated to democratic planning in order to meet humanity's rational needs. Such a change is not only possible; it is long overdue. It will bring about the next great step forward in the evolution of humanity — the creation, through the transfer of political and economic power to the working class, of the classless socialist society.

The strategic aim of the Democratic Socialist Party is the construction of a mass revolutionary socialist party to educate, organise and mobilise the Australian working people for a revolutionary struggle to bring into being a working people's government. Such a government will be the instrument for the abolition of Australian capitalism and the building, in cooperation with the international working-class movement, of a world free of exploitation and oppression.

The Democratic Socialist Party bases its program on the progressive social experiences of humanity as summarised in the theory of scientific socialism expounded by Karl Marx and Frederick Engels in the 19th century, and further developed by Marxists in the 20th century, above all by V.I. Lenin and the Russian Bolsheviki.

As the theoretical summation of the experience of the working class in its struggle for power, scientific socialism is not a dogma fixed for all time and circumstance, but a guide to revolutionary action that must be constantly enriched by new experiences. The theory of scientific socialism must be constantly developed and tested in the light of the living experiences of the working-class movement, and all who are struggling for social progress. This is particularly so given the early stage of development of the socialist movement in Australia. We expect that the future will bring many new experiences, which we and other fighters for progressive social change must think about, learn from, and incorporate into our theory and practice.

That being said, it is nevertheless important for the socialist movement to elaborate its present program as clearly as possible. The struggle for socialism is unique in that it is the first social revolution in human history to be conducted in a conscious manner.

The working-class struggle for socialism is prepared by and grows out of the contradictions of the capitalist social order. The socialist program must therefore begin with an analysis of the capitalist system, its contradictions and historical development — and on the basis of such an analysis, outline the basic tasks and line of march of the working class in its struggle to replace capitalism with the new socialist social order. ■



# Part I. The Capitalist World System

Since human society advanced beyond the primitive communal possession of the land and the products of human labour — as a result of the creation of a permanent surplus over and above the producers' means of subsistence — struggles between exploiting and exploited classes over the disposition of the social surplus product have been the motive force of human history. These struggles have either led to the mutual ruin of the contending classes and social regression, or to social revolutions in which new social orders based on qualitative advances in the productivity of human labour displaced outlived social systems. The capitalist social order first arose in Western Europe as a result of an extended process of revolutionary struggles against the previous feudal order beginning with the Dutch revolution in the 16th century and culminating with the American and French revolutions at the end of the 18th. As the capitalist class gained ascendancy in one country after another it proceeded to reorganise social and political institutions according to its needs. In its quest for constantly expanding markets the capitalist class began to export its cheap, mass-produced goods to every corner of the planet, using the superior military force that its machine-based industries gave it to break down any resistance by pre-capitalist societies. As a result, the entire world was drawn into the orbit of capitalist trade and exploitation. ■

# Section 1. The Capitalist System, Its Contradictions & Development

The capitalist social order is based upon generalised commodity production, under which the labour power of the producers and the means of production become commodities (products for sale). Under capitalism the main producing class, the working class (or proletariat), is deprived of ownership and control over the means of production. In order to live, workers are forced to sell their labour power to private owners of the means of production, to the capitalists (or bourgeoisie). The capitalists' control of the means of production enables them to dominate all other social classes, but within their own class the individual capitalists also operate in competition with each other. Capitalist relations of production therefore involve the following processes:

Capitalist relations of production therefore involve the following processes:

- The workers, having no other means of sustaining themselves, sell their labour power to the capitalists in return for wages, with which they purchase from the capitalists their means of subsistence.
- By appropriating and selling the goods produced by the workers, the capitalists obtain money for the quantities of value created by the workers. This value includes additional value over and above the value of the labour power sold by the workers to the capitalists. This additional value is known as surplus value (the monetary form of the social surplus product).
- Due to their appropriation of the surplus value created by the workers, and its realisation through the sale of the commodities in which it is incorporated, the capitalists are able to maintain and expand production.

By these means, additional value accumulates in separate units (firms) in a process determined by the constraints of competition for private profit.

## The contradictions of capitalism

In their competitive drive to maximise private profits, the capitalists are forced to

continually socialise the process of material production, binding the labour of an ever growing number of workers together through an expanding social division of labour. Branches of production that were previously independent from each other are transformed into a series of interdependent networks, binding companies, regions, and countries.

But this socialisation of labour, of production, occurs within the framework of private, capitalist, appropriation (ownership) of the means of production under which, through competition, smaller, weaker firms are eliminated by larger, more technically advanced firms. Capital thus becomes increasingly concentrated and centralised. Consequently, as capitalism develops, its fundamental contradiction is continually accentuated — production takes on an increasingly social, cooperative, character at the same time as society's productive wealth is concentrated in the hands of a smaller and smaller number of capitalists.

From this fundamental contradiction of the capitalist mode of production flow a series of others:

- The contradiction between the increasingly planned and conscious organisation of production within each capitalist firm resulting from the socialisation of labour, and the unplanned, anarchistic nature of capitalist production as a whole. The allocation of capitalist society's productive resources is not governed by any conscious plan but rather, by variations in the rate of profit and the competitive drive of capitalist firms to maximise their profits.
- The contradiction between the tendency towards unlimited expansion of production and the restrictions capitalism imposes on the individual and social consumption of the workers. Capitalism is obliged to impose these limits because the aim of capitalist production is to maximise surplus value, and this necessitates limiting the growth of real wages.
- The contradiction between the potential of enormous leaps in science and technology to ensure the fulfilment of social needs and the harnessing of these potential productive forces to the capitalists' drive for private enrichment (accumulation of capital).
- The contradiction between the drive by each capitalist firm to maximise its profits by increasing labour productivity through increased mechanisation, and the tendency for the average rate of profit to fall, due to growth in the organic composition of capital (the ratio between the amount of capital expended on machinery and raw materials and the amount of capital expended on wage labour).
- The contradiction between the internationalisation of the productive forces (creation of a world market, objective socialisation of labour on an international scale) and

the division of the world into separate nation-states.

All the inherent contradictions of the capitalist mode of production explode in more or less regular crises of overproduction of commodities and over-accumulation of capital. These crises are characterised by a generalised decline in investment, production, employment, the income and purchasing power of working people, and economic activity as a whole.

The private, capitalist, form of appropriation of the socially produced wealth makes private profit the only aim and driving force of production. Production develops by leaps and bounds, not in the sectors where the most urgent real social needs are to be found, but rather in those where the highest profits can be achieved. Underproduction in one sector regularly coincides with overproduction in another. The distribution of human labour between different branches of production never corresponds exactly to the distribution of purchasing power for the products of those branches. When this disproportion becomes generalised, it is resolved by a crisis, which leads to a new equilibrium, itself temporary and ephemeral. Thus the capitalist economy expands in an uneven and disharmonious manner, through "boom and bust" cycles, through the periodic waste and destruction of part of society's accumulated productive forces.

While it is based on private ownership of the means of production, the inevitable concentration and centralisation of capital that accompanies the development of the capitalist mode of production continually reduces the proportion of the population that owns means of production. As a result, the proportion of wage workers grows continually as more and more producers are dispossessed of their means of production (subsistence) and are forced to rely on selling their labour power to the capitalists. The class structure of capitalist society becomes increasingly polarised between a small handful of capitalist magnates at one end and a growing mass of wage workers at the other.

As the unique product of the capitalist socialisation of production, the working class is trained by the system of capitalist exploitation to act cooperatively, and to see that the individual interest of each worker can only be realised through collective action. It is these qualities, plus its power to halt capitalist production, that make the working class the social force that can put an end to capitalism's contradictions and their anti-social consequences through the collective appropriation of the means of production, and their management according to a conscious plan by the associated producers themselves.

### **The stage of monopoly capitalism (imperialism)**

Throughout the first phase of its existence, from the Industrial Revolution of the latter half of the 18th century, to the end of the 19th century, the capitalist mode of production

was characterised by the existence of a large number of independent firms in every sector of industry. None of these firms was able to dominate any particular branch of production, and consequently the predominant pattern of capitalist relations was what bourgeois theorists called free competition, or laissez faire. Each firm sought to capture a larger fraction of the market by reducing the selling price of its commodities. In this period, the capitalist market was extended over the entire world through the export of industrial consumer goods to areas of the globe where pre-capitalist relations still prevailed (Asia, Africa, Latin America).

From the end of the 19th century, however, the period of free competition gave way to a historically new stage of capitalism, characterised by the monopolisation of separate branches of industry by one or a few large firms.

This transition was facilitated by a technological revolution in which the electric motor and the internal combustion engine supplanted the steam engine as the principal sources of energy for industry and for transportation. Entirely new industries developed (electricity, electrical goods, oil, motor vehicles, chemical industries), and these required greater initial capital outlays than the old industries. This radically reduced the number of potential competitors.

This new historical period was a product of the operation of capitalism's basic laws of motion. The concentration and centralisation of capital led to the formation of powerful monopolistic associations (cartels, syndicates, trusts) and to a new form of giant undertaking combining several enterprises linked together by the banks. The so-called free competition of a multitude of small capitalist firms gave way to the domination of national markets by a handful of financial groups simultaneously controlling banks, other financial institutions, big industrial and transport trusts, big retail store chains, etc.

Capitalist monopolies do not eliminate capitalist competition. In non-monopolised sectors of the capitalist economy, competition continues in the traditional form of price cutting. In the monopolised sectors, however, competition no longer normally takes the form of price cutting, except in international markets in which the various national monopolists continue to struggle against each other. In their traditional domestic markets, however, competition takes the form of struggle between monopolies for reduction of production costs.

By controlling markets and limiting price competition, the big trusts obtain monopolistic superprofits — rates of profit superior to those of companies in the non-monopolised sectors. Monopolies can control markets only by limiting growth of production, and therefore accumulation of capital, within them. On the other hand, these same monopolies are in possession of abundant capital, accumulated due to

monopolistic superprofits. Monopoly capitalism is therefore characterised by the accumulation of surplus capital in the hands of the monopolies of the industrialised capitalist countries. This surplus capital must seek new fields for profitable investment. The export of capital from the industrialised countries thus becomes an essential trait of the monopoly capitalist era.

The export of capital to the non-industrialised areas of the world (and the goods bought with this capital — mainly infrastructural facilities to cheapen the export of raw materials from these areas) gave the capitalists of the industrialised countries a major interest in establishing permanent control over these areas. The rise of monopoly capitalism was therefore accompanied by a feverish drive to assert direct political control over the non-industrialised areas of the world by converting them into colonies of the major capitalist powers. Thus the monopoly capitalist era is distinguished not merely by the domination of each of the advanced capitalist countries by a small number of monopolist firms and associations, but by the creation of a world imperialist system based on the division of the globe into oppressor and oppressed nations.

The massive export of capital to the colonial and semi-colonial countries (the so-called Third World) for the organisation of capitalist production of raw materials, created and consolidated a specific mixture of pre-capitalist and capitalist relations of production which prevented the development of large-scale industry within these countries. Foreign capital's domination over the accumulation of capital in the Third World stifled the process of primitive accumulation of capital in the hands of the indigenous capitalists. Thus, while imperialism integrated the colonial and semi-colonial countries into the world capitalist market, it also consolidated a permanent gap in average labour productivity between the industrialised capitalist countries and the Third World.

The essential feature of imperialism is manipulation of the uneven development of labour productivity in different sectors of the world capitalist economy in order to extort monopoly superprofits.

The largest share of these superprofits is derived from the imperialist countries themselves. Here, in the largest and most developed capitalist markets, monopoly power (strict regulation of production, market apportionment, monopoly pricing, favourable access to credit, control of scientific research, export of capital and privileged connections with the state) drastically shifts the distribution of surplus value to the advantage of the largest corporations. But significant superprofits are also appropriated from the colonial and semi-colonial countries through the purchase of labour power at a price much lower than its value in the industrialised countries, and through unequal exchange of goods on the world market: Goods produced in conditions of higher

labour productivity (principally industrial goods) are exchanged for goods produced in conditions of lower labour productivity (predominantly mineral and agricultural raw materials). As a result, the capitalists of the imperialist countries are able to appropriate a large part of the value produced in the Third World.

Monopoly capitalism not only intensifies all the classical contradictions of capitalism, but also adds new ones:

- Imperialist exploitation of the colonies and semi-colonies retards and distorts the indigenous development of capitalism in these countries, perpetuating and intensifying their economic backwardness and their dependent and subordinate relationship to the advanced capitalist countries. It creates a permanent division of the world into rich nations and poor nations, consigning the majority of humanity to perpetual destitution.
- Monopoly capitalism intensifies the contradiction involved in private appropriation of the output of an effectively socialised process of production. The functions of ownership and management are increasingly separated as the richest section of the capitalist class becomes transformed into rentiers (appropriating capital via large share holdings, state bonds, foreign securities, interest on capital loans, etc.). The monopoly capitalist thus appears as the purest type of capitalist, with appropriation of surplus value no longer masked in any way by payment for a managerial task in the productive process.
- Monopoly superprofits, the condition for which is the relative limitation of production, create the contradiction of overcapitalisation. This takes the form of a mass of money capital unable to find profitable new fields of productive investment, and chronic underuse of existing productive capacity.

Monopoly capitalism seriously restricts the prodigious development of the productive forces that characterised the age of laissez-faire capitalism. With its artificial restriction of production and sharing of markets between the big corporations, monopoly capitalism becomes a fetter on the development of the productive forces, leading to a general crisis that affects all aspects of capitalist society — economic, political, cultural and moral.

This general crisis is most graphically manifested in the growing inability of capitalism to contain the development of the productive forces within the framework of private property, in a sharpening of social contradictions both within and between nations, and in the growing tendency of the productive forces to be transformed into forces of destruction that threaten the maintenance of human civilisation, and increasingly, even the survival of life on Earth.

## **The role & character of the state under capitalism**

As in all class societies, the role of the state in capitalist society is to defend the interests of the class that owns the means of production by suppressing any threat to its domination and by ideologically integrating the exploited classes.

The capitalist state differs, however, from all previous forms of class rule due to the unique character of capitalist relations of production. Because of the social conditions and the competition generated by generalised commodity production on the basis of private property, the interests of the capitalist class as a whole cannot be represented by individual capitalists, even the richest. The capitalist state therefore requires a certain autonomy in order to represent the collective interests of the capitalist class.

To the classical state functions of repression and ideological integration, the capitalist state adds the function of guaranteeing those general conditions for the development of capitalist production that do not spontaneously arise from private production and capitalist competition. These conditions include creation of a stable system of law that applies to all capitalists, a unified national market, and a national currency and customs system.

The formation of nations and of states based on nations is an inevitable product of the capitalist era of social development. With its generalisation of commodity production, capitalism overcomes the economic disunity that characterised pre-capitalist societies, creating unified conditions of production and exchange of commodities within a common territory, merging loosely connected communities of people within this territory into a stable, coherent community with a common national language and national culture.

Because the nation-state is the most advantageous political unit for the development of the productive forces during the rise of capitalism, nationalism is a basic feature of the outlook of the capitalist class. Nationalist ideology, which propagates the idea that all classes within a given nation have common interests opposed to those of other nations, is a powerful tool for subordinating the class interests of the labouring masses to those of the capitalist class and to the maintenance of capitalist political power.

In the imperialist epoch, the struggle of the oppressed nations for national liberation is reflected in the awakening of nationalist consciousness among the working people of oppressed nations. While socialists are advocates of working-class internationalism, which is based on the recognition of the identity of interests of the workers of all nations, and are therefore opposed to all varieties of nationalist ideology, they differentiate between the nationalism of imperialist, oppressor nations and the nationalism of oppressed nations. Unlike the nationalism of the oppressor nations which is a reactionary instrument for justifying imperialist exploitation and domination,



the nationalism of oppressed nations has a democratic content that is directed against imperialist oppression, and it is this democratic content that socialists unconditionally support.

The autonomy of state power in capitalist society is a result of the predominance of private property and capitalist competition, but this same predominance also makes the state's autonomy relative. While transcending the conflicting competitive interests of individual capitalists, the decisions of the capitalist state also affect capitalist competition and influence the overall social distribution of surplus value to the advantage of one or another group of capitalists. All groups of capitalists are therefore forced to be politically active, not just to articulate their own views regarding the collective interests of their class, but also to defend their particular interests. For this reason, in the era of so-called free competition the function of the parliamentary state was to embody the common class interests of the capitalists in a form that gave each group of capitalists an opportunity to defend its sectional interests. From this point of view, parliamentary democracy was the ideal form of the capitalist state. It best reflected the dialectic of unity and struggle between the particular competitive interests of each capitalist and the collective interests of the capitalist class as a whole.

The transition from laissez-faire capitalism to monopoly capitalism altered both the capitalist class's subjective attitude towards the state and the objective role of the capitalist state. In the laissez-faire era, the capitalist class sought to keep the economic functions of the state to a minimum. Viewing the taxes needed to maintain the state as a waste of surplus value that could otherwise be used for capital accumulation, it sought to limit state expenditures. This policy was reflected in the doctrine of classical liberalism according to which unrestrained competition was the guarantee of individual liberty and social progress.

However, the emergence of monopolies generated a tendency towards permanent overaccumulation in the imperialist countries and a corresponding trend towards export of capital and division of the world into colonial empires. This led to a sharp increase in arms expenditure and the growth of militarism. These trends in turn led to a major expansion of the state apparatus, involving an increased diversion of social revenues to the state. Arms expenditure had a dual function: to provide the means to defend the special interests of each imperialist power against its rivals and against colonised peoples, and to provide an additional source of capital accumulation.

Also contributing to the expansion of the size and expenditures of the capitalist state in the era of monopoly capitalism was the development of social legislation and social expenditures as a concession to the increasing organisational strength of the labour movement. This was a defensive measure designed to buy social stability by

ameliorating the worst effects of the capitalist private profit system upon the working people.

While the growth of social expenditures led to a significant redistribution of socially created value towards the state budget, it did not result in a redistribution of national income towards labour and away from capital. Social expenditures were financed by shifting the main burden of taxation onto the working class. At most, this resulted in some redistribution of income within the working class.

At the same time, the growth of social expenditures (expansion of the public health and public transport systems, universal elementary education, public housing projects, etc.) also served the general economic interests of the capitalist class by socialising some of the costs of reproducing labour power and providing workers with the basic skills needed to perform increasingly complex production tasks.

Under monopoly capitalism, the growing strength of the workers' movement in the advanced capitalist countries lent further urgency and scope to the integrative role of the capitalist state. Decisions to grant steadily wider layers of workers the right to vote in parliamentary elections reflected both the growing strength of the working class and a recognition by the capitalist rulers that parliamentary elections could perform an ideologically integrative function. To the illusion of equality of worker and capitalist under bourgeois law, the extension of the parliamentary franchise to wage earners added the illusion of equality as voters. But with the extension of the parliamentary franchise to the working class, parliament lost much of its role as the real centre of political power in capitalist society. It retained this role only so long as it was elected solely by the capitalist class.

With the extension of the franchise, real political power shifted increasingly to the unelected upper levels of the state machine — to the permanent secretaries of the state administration, the heads of the military forces and police, judges appointed for life, etc.

Its methods of recruitment, its selectivity and career structure, its hierarchical methods of organisation, all help to ensure that the state apparatus serves the interests of big capital. The capitalist state's top officials are either drawn from capitalist families or earn salaries that enable them to accumulate capital, giving them a personal interest in the defence of the private-property system and the smooth running of the capitalist economy.

The decline of parliament's role as the centre of political power in capitalist society also corresponded to the concentration of capitalist economic power in the hands of a small number of monopoly corporations with interlocking boards of directors. The major owners of capital no longer needed a representative institution to work out

policies that suited their common interests. This task could henceforth be accomplished within the boardrooms of the monopolies, in business associations, in exclusive clubs, and in specialised policy-making councils.

For the working class, capitalist parliamentary democracy is the most favourable form of capitalist rule. Compared to more repressive forms of capitalist rule, the parliamentary form permits the freest development of the workers' struggle against capitalist domination. At the same time, during prolonged periods of capitalist prosperity, capitalist democracy is able to limit the development of workers' political consciousness by inculcating the liberal doctrine of reliance on gradual improvements to the workers' conditions of life achieved through parliamentary legislation and appeals to the supposedly impartial judicial system.

One of the major ideological campaigns of the capitalist class is its propagation of the myths that there can be no political freedom without capitalist parliamentary democracy, and that there can be no individual freedom without capitalist private property. Central to the socialist critique of capitalist parliamentary democracy and capitalist property is the understanding that both sharply restrict political and individual freedom for the vast majority.

In the first place, capitalist parliamentary democracy is based on exclusion of the working people from participation in the administration of the state. Under the parliamentary system working people participate as atomised and essentially passive individuals whose "power" is restricted to putting a voting paper in a ballot box every three or four years. Formally, decisions are made by a tiny number of elected persons (parliamentarians and local councillors). In reality, the actual power of administering the state is concentrated in the hands of unelected, permanent officials (the bureaucracy of the capitalist state).

Secondly, capitalist parliamentary democracy is based on formal equality in the exercise of legal and political rights. As the practical exercise of these rights presupposes access to powerful material resources, only the rich can fully enjoy them. The inequality of property under capitalism — the monopolisation of the decisive means of production and communication by the capitalists — ensures that the wage-earning majority are denied the material resources necessary for the practical exercise of their democratic rights.

Finally, even the most advanced capitalist parliamentary democracy does not permit the masses to have a say in the most decisive areas of their lives. There is not the slightest democracy within capitalist enterprises. For the greater part of their waking lives workers are subject to the despotic power of the owners of these enterprises, their appointed managers and supervisors. Within the hierarchically structured division

of labour of capitalist businesses, the bosses give orders and the workers must carry them out. A corporation has the full legal right to shut down an enterprise or shift its location without consulting its workers and without regard to the adverse social effects of such decisions. The existence and influence of the trade unions is the sole check upon the arbitrary power of the employers, who resist any encroachment on their managerial prerogatives.

The anarchic laws of the capitalist market and the fluctuations of the capitalist business cycle are far more powerful than parliamentary elections in shaping the daily lives of working people. While the capitalists run their businesses autocratically, they do not have control over their economic system, which operates blindly and convulsively. The capitalist system periodically deprives large numbers of workers of their livelihood, condemns a substantial section of the population to live in permanent poverty, and subordinates all aspects of the lives of the majority to the irrational and anti-social consequences of the capitalists' drive for private profit.

A system in which the vast majority of people have no control over the most important decisions and actions of the government, the economy, their material well-being, or the course of their lives, cannot be considered genuinely democratic. In reality, it is a dictatorship of the capitalists disguised by democratic forms.

## **Imperialism & the struggle for socialism**

Imperialist capitalism integrates the productive forces of the world economy, centralises the means of production under the command of a few hundred giant corporations, socialises labour on a gigantic scale, polarises the class structure of the advanced capitalist countries between an overwhelming majority of wage earners and a handful of super-rich monopolist families, and thus creates the economic and social prerequisites for the socialist revolution.

The class struggle loses its previous character of isolated actions by small groups of workers, and takes on national and international dimensions. To the struggle of the working people of the advanced countries against the concentrated forces of monopoly capital is added the national liberation struggle of the colonial and semi-colonial peoples against imperialist domination.

In the imperialist epoch, the national liberation movement of the oppressed peoples of the colonial and semi-colonial countries is an integral part of the international movement for socialism. While the objective tasks of the national liberation struggle (political and economic independence and agrarian reform) reflect the needs of capitalist development in these countries, such development is blocked by imperialist domination.

Socialists support the right of oppressed, colonised nations to national self-determination, that is, to choose whatever political relations with the colonial power they believe are necessary to end their national oppression, including the formation of an independent nation-state. However, the mere winning of formal political independence by the oppressed nations cannot end their national oppression since this stems from imperialist control of their economic life. The indigenous capitalist class, while favouring steps to improve its position in relation to imperialism, is unwilling to lead a consistent struggle against imperialist domination because of its dependence on foreign capital. The economic measures required to promote rounded capitalist development in the Third World (expansion of the domestic market and effective protection of local industry) also conflict with the interests of the semi-colonial capitalist class:

- Expansion of the domestic market requires an end to the burden of excessive debts and taxes on the peasantry and an end to hoarding and squandering by the landlord-usurers of the social surplus product created by the peasantry. This can only be achieved through a radical agrarian reform that abolishes landlordism and hands over land to the tillers. However, due to its close connections with the big landowners (often they are one and the same) the semi-colonial capitalist class is hostile to such agrarian reform.
- Effective protection of domestic industry from the competition of cheaper commodities produced in the imperialist countries requires the creation of a state monopoly of foreign trade. But the nationalisation of foreign trade is not in the interests of those sectors of the indigenous capitalist class that derive their profits from the import-export trade.

Given the failure of the indigenous capitalists to consistently carry through the tasks of the national-democratic revolution, it is not uncommon for elements drawn from the petty bourgeoisie to seize political power in Third World countries. Often this takes the form of a military coup by lower-ranking military officers. Such governments (e.g., Peron in Argentina, Nasser in Egypt, Ne Win in Burma, the Baathist regimes in Syria and Iraq, etc.) sometimes challenge imperialism quite boldly and carry out some radical reforms (e.g., nationalisation of industry and banking). However, while claiming to represent the masses such regimes fear the independent mobilisation of the workers and peasants, exclude them from any real power, and often suppress their independent class organisations.

These petty-bourgeois nationalist regimes do not dismantle the capitalist state machine, but simply restaff it with new personnel. The management of the nationalised enterprises is placed in the hands of the officers, their relatives and friends, who use

their bureaucratic posts to enrich themselves through corruption and to establish private businesses. As a result, the way is paved for the emergence of a new layer of capitalists which, while stronger than the one it suppresses, remains in a semi-colonial relationship to imperialism.

The complete and lasting attainment of the goals of national liberation in the Third World can only be carried out by an anti-imperialist movement based on an alliance of the working class and the peasantry, that transfers power to a revolutionary-democratic government and destroys the capitalist state apparatus.

While bourgeois nationalist forces may be part of such a movement, historical experience has shown that the national liberation movement will not succeed if these forces enjoy political hegemony within it, or if the revolutionary-democratic forces subordinate the mobilisation of the worker-peasant masses to the goal of maintaining bourgeois nationalists within the anti-imperialist alliance.

The creation of a revolutionary-democratic government resting on the mobilised power of the worker-peasant masses can open the possibility of bypassing the “normal” process of capitalist development through the growing over of the national-democratic revolution into a socialist revolution. The possibility of pursuing a non-capitalist path of development in a Third World country, and the pace of transition from purely national-democratic tasks to the tasks of socialist construction, is dependent on a number of factors, in particular:

- The level of consciousness, mobilisation and organisation of the working people, particularly the working class and the poor, semi-proletarian majority of the peasantry.
- The level of socio-economic development already attained in the country prior to the coming to power of the workers and peasants’ government. The more backward the socio-economic structure, the longer will be the national-democratic stage, the greater will the need be to employ capitalist economic forms (free market for small commodity producers, concessions to foreign capitalist investors, etc.) while developing a state-capitalist sector (private capital operating on state contracts, joint ventures between the workers’ state and foreign capital, etc.) and a strictly socialised sector (enterprises owned and operated by the workers’ state).
- The amount of technical assistance, economic aid and trade that can be obtained from industrially developed socialist states.

While imperialism continues to dominate the most developed sectors of the world economy the task of constructing socialism in any underdeveloped country will be extremely difficult, being subject to the constant threat (or actuality) of imperialist military intervention, economic blockade, and counter-revolutionary pressure. The

ability of a workers' state in an underdeveloped country to advance along the road of constructing socialism therefore depends on advances in the world revolutionary process, above all on victorious socialist revolutions in the more industrially developed countries. On the other hand, revolutionary victories in the underdeveloped countries can provide a powerful impetus to the development of mass anti-capitalist movements and consciously revolutionary forces in the imperialist heartlands.

To defend its domination in the face of the growing strength of the forces arrayed against it, monopoly capital imposes increasing state control on the working-class movement in the imperialist countries. In these conditions, every significant action in the interests of the working class becomes an action against the power of the capitalist state, that is, a political act.

At the same time, monopoly capital seeks to weaken working-class consciousness and organisation by systematically granting privileges to certain sections of the working class (usually to skilled, white, males) while institutionalising discrimination against others (for example, women, non-white and young workers). Because of their position in the world market (greater technical development, the export of capital to countries with a higher rate of profit, etc.) and their plundering of the colonies and semi-colonies, the monopolists of the imperialist countries obtain colonial superprofits, a portion of which they use to grant higher than average wages and more secure conditions of employment for a small section of the working class. This relatively privileged layer of workers (what Engels and Lenin called the "aristocracy of labour") is the main social base for liberal and opportunist prejudices within the working class.

The restricted character of democracy under capitalism creates the tendency for the full-time functionaries of mass workers' organisations to become bureaucrats, that is, privileged officials divorced from the mass of working people who identify their interests with the maintenance of the social status quo, and who represent themselves as defenders of the benefits enjoyed by the labour aristocracy. The capitalist state in the imperialist countries actively promotes and seeks to consolidate this tendency by offering political privileges and sops for conservative trade-union officials and their liberal parliamentary collaborators. This systematic bribery has its most striking reflection in the class-collaborationist outlook and practice of the trade union functionaries and parliamentary representatives of the Social-Democratic "workers" parties.

Beginning with their support for their "own" imperialist governments in World War I and their active opposition to the postwar revolutionary upsurge (including supporting imperialist intervention in Soviet Russia and the murder of revolutionary leaders in Germany), the Social-Democratic parliamentary and trade union leaderships

have repeatedly shown themselves to be direct agents of capitalist influence within the organised workers' movement, and stalwart supporters of the rule of the imperialist bourgeoisie.

To overthrow the imperialist ruling class it will be necessary for the working class in the advanced capitalist countries to replace the present procapitalist leaders of the labour movement with leaders genuinely committed to defending the interests of working people. How this can be done was first demonstrated by Lenin and the Russian Bolsheviks.

The prevalent view in the Social-Democratic movement prior to World War I was that a workers' party should be an all-inclusive formation embracing socialists with diverse views about the party's program and without any requirement to actively participate in its work. As later events showed, this was a formula for an amorphous movement that was susceptible to bureaucratic manipulation by opportunist trade-union and parliamentary leaders, and which was incapable of providing revolutionary leadership to the working class.

By contrast, Lenin counterposed the perspective of building a party of revolutionary activists adhering to Marxist principles, in which policy decisions were made on the democratic basis of majority rule and tested out by the united action of the entire membership. Under Lenin's leadership, the Bolsheviks created a large tested nucleus of worker-cadres that was able, in the revolutionary situation in 1917, to grow into a mass party that led the Russian working class in a successful struggle for political power.

## **From the first to the second stage of the general crisis of capitalism**

The contradictions inherent in the imperialist stage of capitalism exploded in the first inter-imperialist world war (1914-18). The outbreak of the war followed the end of a twenty-year period of accelerated capitalist economic growth, and the onset of a deep structural crisis characterised by stagnation of the world market, and a sharp decline in the average rate of profit.

Through the war, the Central European imperialist powers (Germany and Austria-Hungary) sought to compensate for the onset of the crisis by redividing colonies and spheres of influence at the expense of the Anglo-French imperialists. However, the main outcome of the war was an acceleration of the general crisis of capitalism.

The economies of the defeated Central European powers were temporarily shattered, while those of the victorious Anglo-French powers were so weakened that they became financially dependent on United States imperialism — the only power to



emerge economically stronger from the global conflagration. Meanwhile, the imperialist chain was broken at its weakest link by the first successful socialist revolution — the Russian Revolution of 1917.

Under the leadership of the Bolshevik party (later renamed the Communist Party) the Russian working class overthrew the unelected Social-Democratic government of Aleksandr Kerensky on November 7, 1917, transferring power to the popularly elected councils (soviets) of workers', soldiers' and peasants' deputies that had arisen out of the mass revolutionary upsurge at the beginning of 1917. The new Soviet government immediately began to dismantle the repressive apparatus of the capitalist state (army, police, judiciary) replacing it with a new workers' and peasants' army and elected people's courts. It mobilised the Russian masses to sweep away the semi-feudal relations in the countryside, to bring the big capitalist industries and banks under the control of the workers, and to end the oppression of the non-Russian nationalities by recognising their national rights, including their right to form independent nation-states.

The deprivations caused by the First World War, combined with the hope inspired by the Russian Revolution, sharpened the class struggle in the imperialist states, and this struggle erupted into open revolutionary mass action in a number of European countries, with a substantial part of the working class seeking to emulate the Bolshevik example. However, due to the counter-revolutionary role of the Social-Democratic parties and the inexperience of the newly formed Communist parties, these revolutionary struggles were unsuccessful, leaving the Russian Revolution isolated in the face of a hostile capitalist world.

For three years the newly formed Soviet workers' state had to defend itself against a civil war unleashed by the deposed capitalists and landlords, backed up by the intervention of the major imperialist powers. With the support of the majority of the workers and peasants, and assisted by a powerful antiwar movement in the West, the Bolsheviks won the civil war in Russia, but at a tremendous cost: An already backward economy was brought to the brink of collapse and large numbers of the most politically conscious workers were killed.

Lacking any aid from victorious revolutions in the more advanced countries, in order to rehabilitate the Russian economy the Bolsheviks were forced to partially restore capitalism through the "New Economic Policy" (permitting the private buying and selling of the peasants' surplus product, leasing of nationalised enterprises to private capital, introducing competition for profit within the state-owned industries). They were also forced to rely upon the administrative and technical skills of former tsarist officials and capitalist managers (who could only be induced to serve the Soviet

state by being granted high salaries and privileged access to scarce consumer goods).

Owing to the overwhelming weight of the peasantry, the numerical and cultural weakness of the working class, and the absorption of most of its leading cadres into the state apparatus, the Communist party itself became increasingly bureaucratized. The authoritarian methods and petty-bourgeois outlook of the state bureaucracy were increasingly reflected by a section of the Communist party that grouped itself around Joseph Stalin, the head of the party's administrative apparatus. In the years following Lenin's death in 1924 the Stalinist bureaucracy consolidated its control over the Communist party, strangling soviet and party democracy, imprisoning and eventually murdering the great majority of the leaders and cadres of the Bolshevik party who had served under Lenin.

The conservative and narrowly nationalistic outlook of the Stalinist bureaucracy was given expression in Stalin's theory that the construction of socialism could be completed in one country — the Soviet Union — without revolutionary victories in the more industrially developed imperialist countries.

Exploiting the prestige of the Russian Revolution and the theoretical weakness of most of the cadres of the newly formed Communist parties throughout the world, the bureaucracy in the USSR won acceptance of this theory and was able to impose its bureaucratic methods on the international Communist movement. In the eyes of the Stalinist bureaucracy, the function of the foreign Communist parties was not to lead anti-capitalist revolutions but to act as auxiliary instruments for the bureaucracy's foreign policy goals by exerting pressure upon "their own" capitalist governments.

The revolutionary upsurge that swept central and eastern Europe between 1917 and 1923 found its clearest expression in the Russian Revolution. The ebb in the revolutionary mass movement after the failure of the German revolution in October 1923 found its expression in the victory of the Stalinist bureaucracy in the USSR.

While capitalist rule was stabilised in Europe after 1923, the postwar upsurge of labour struggles blocked the attempts of the victorious imperialist powers to resolve capitalism's structural crisis by imposing a sharp increase in the rate of exploitation of wage labour. Consequently, in the two decades after the world war, the international capitalist system was paralysed by a prolonged economic depression. Rates of profit declined, the productive forces stagnated, and mass unemployment became permanent. World trade contracted as each imperialist power sought to defend itself from foreign competitors by erecting a wall of tariffs around its shrinking domestic market. The capitalist business cycle was marked by short-term speculative booms followed by slumps of increasing scope and depth (1921-23, 1929-33, 1937-39), in which social contradictions became explosive.

In the 1930s revolutionary situations emerged in a number of imperialist countries. However, the class-collaborationist policies of the Social-Democratic labour bureaucracy, and the opportunist policies imposed on the Communist movement by the Stalinist bureaucracy in the USSR, restricted the ability of the working class to fight the capitalist counter-offensive. As a result, serious defeats were inflicted on the workers' movement.

The most devastating of these defeats was the victory of fascism in Germany in 1933. The inability of the German working class to take decisive action to resolve the capitalist crisis — due to the paralysing misleadership of the Social-Democratic and Communist parties — led to demoralisation in the working class and to a loss of confidence in working-class leadership among the urban middle classes, which had been ruined by the 1929-33 economic slump. With the backing of the big capitalist monopolies, the German fascists were able to use anti-capitalist demagoguery to mobilise desperate middle-class elements, and even some demoralised sections of the working class, to destroy all mass working-class organisation and resistance.

Through physical and psychological terror, Adolf Hitler's fascist regime atomised and demoralised the German working class to such an extent that any form of collective defence became impossible. The Nazis' prohibition on changing jobs even blocked workers' individual attempts to achieve modest improvements in their wages through job mobility. In these conditions, the German capitalist class was able to significantly increase the rate of exploitation of wage labour, more than doubling its collective profit within five years of the Nazi victory.

Having employed fascist totalitarianism to impose "social peace" and austerity at home, German imperialism was driven inexorably to wage war abroad for new markets, new sources of raw materials, and new fields for investment of its abundant profits. The Nazi regime sought to break the division of the world arising out of the First World War embodied in the Versailles treaty. The aim of the Nazis was the forcible reorganisation of Europe under the hegemony of German monopoly capital as a first step towards world domination. Central to this objective was the conquest and colonial subjugation of the peoples of the Soviet Union.

The Second World War, the most destructive in human history, arose out of sharpening inter-imperialist competition, but soon became the most titanic and fiercest class conflict the world has ever witnessed, pitting Nazi Germany and its allies against the bureaucratised Soviet workers' state and the working people of Nazi-dominated Europe. The inter-imperialist struggle between Germany and the Anglo-American powers was a secondary aspect of the war, with the US imperialists subordinating their own plans for war against the USSR to the immediate objective of securing Wall

Street's economic and military hegemony within the capitalist world.

The Second World War climaxed the first stage of the general crisis of capitalism and opened its second stage. The victory of the Soviet Union over fascist Germany and militarist Japan, together with the weakening of the main European colonial powers (Britain, France, the Netherlands, Belgium), dealt a major blow to the stability of the world imperialist system. This gave powerful impetus to the struggles of the oppressed nations of Asia and Africa to throw off colonial rule and imperialist exploitation. Capitalism in Europe faced imminent collapse under the combined pressures of economic chaos and mass insurgency.

In the face of the postwar social explosion, US imperialism, which had emerged from the war as the dominant capitalist power, launched a counter-offensive with three main goals:

1. To restabilise capitalism in Europe (the Marshall Plan).
2. To limit the anti-imperialist upsurge in the colonial world by accepting formal independence while maintaining imperialist economic and political domination (neo-colonialism).
3. To block new socialist revolutions and create the military and political conditions for destroying the USSR (the Cold War doctrine of "containment and rollback of communism").

This reactionary offensive met with mixed results:

- Aided by the class-collaborationist policies of the Stalinist labour leaders in Western Europe, Washington was able to block the revolutionary dynamic of the anti-fascist movement in Western Europe and stabilise capitalist rule there.
- Through covert operations, fostering of bourgeois nationalists, and use of economic and military pressure to force the European imperialist powers to make concessions, Washington limited the impact of the disintegration of the colonial system. During the first two decades after the Second World War, in most of the colonies imperialism successfully channelled the national liberation movement in neo-colonial directions.
- The overturns of capitalism in Eastern Europe under the military protection of the USSR, rapid recovery of the Soviet economy from the devastation wrought by the fascist invasion, the USSR's breaking of the United States' nuclear weapons monopoly, and the victory of the Chinese Revolution, forced Washington to postpone its plans to "roll back communism."

After the postwar collision of the forces of revolution and counter-revolution, capitalism found itself denied access to a third of the world's population. Nevertheless, world capitalism survived the massive postwar contraction of its market, and in fact the

imperialist powers entered a prolonged period of economic expansion in which new contradictions were added to those characterising the first phase of imperialist, monopoly capitalism.

### **Late monopoly capitalism**

The postwar capitalist boom — in fact an expansion largely excluding the underdeveloped capitalist countries — was the product of conditions created by the Second World War and the long depression that preceded it. The working class in the imperialist countries had suffered numerous defeats in this period. The rise of fascism in Europe was the most severe of these setbacks, but throughout the imperialist countries there had been prolonged mass unemployment, attacks on working-class gains of the past, and savage cuts in living standards. Capital thus entered the postwar period enjoying a greatly increased rate of exploitation of labour, which was the basis for a substantial rise in the average rate of profit.

Ten years of economic stagnation, followed by the physical devastation of Europe and Asia in the war, had reopened capitalist markets for both consumer and producer goods. Massive military spending, particularly by the United States, provided a vast additional market, usually with guaranteed profits.

Within the imperialist camp the dominance of the United States (a dominance based as much on its huge internal market and intact industry as on its military strength) made the US dollar the relatively stable currency required for the expansion of international trade.

Finally, the moral and physical destruction of capital during the depression and in the war had sharply reduced the total of social capital on a world scale. The resultant decline in the average organic composition of capital led to a rise in the average rate of profit.

In these circumstances, technological innovations (often byproducts of wartime and Cold War military research) could easily be adopted by capitalist industry. The resulting rises in productivity increased relative surplus value even despite gradual rises in real wages, which in turn helped to strengthen capitalist ideological hegemony over the working class in the imperialist countries.

Technological progress also increased profit rates by reducing the value of raw materials in two ways: Through greater efficiency in the production of traditional raw materials, and by the replacement of natural raw materials with synthetics.

Increasing mechanisation of the production of raw materials initiated a process of partial industrialisation in a number of Third World countries. This, in turn, created markets for imperialist producer goods in these countries. However, by reducing the

amount of immediate labour required, mechanisation began to undermine one of the main motives of imperialist investment in the Third World, namely low wages. As the cost of labour power became a smaller percentage of total costs in these industries and the required scale of fixed investment increased, wages became less important and political stability more important in imperialist calculations. Capital exports were therefore redirected to other imperialist countries.

Combined with the ongoing export of imperialist profits, this drying up of new capital investments prevented any generalised process of economic takeoff in the Third World. Even in the most fortunate of the neo-colonial economies (South Korea, Taiwan), the industrialisation that has occurred has been poorly integrated with the rest of the economy, while the profits it has generated have overwhelmingly been repatriated to the imperialist centres. Such distorted development does not generate a multiplier effect comparable to that which would follow similar investment in a developed country.

The great majority of Third World countries have not experienced industrialisation that would even reduce, let alone overcome, the vast difference in labour productivity between them and the imperialist countries. On the contrary, the productivity differential has increased, a process reflected in the worsening terms of trade for most Third World products and the increasing gulf between rich and poor nations. Some countries that borrowed heavily to purchase producer goods in the hope that these would bring development now face debts so massive that they will never be able to repay them.

These changing patterns of capital export during the 25-year postwar boom made transnational corporations an increasingly powerful sector of the world capitalist economy. With investments and production processes often scattered over dozens of countries, the transnational company gains insuperable advantages over less internationalised competitors through economies of scale, transfer pricing, knowledge of markets, access to credit and ability to circumvent national taxes, tariff policies and other forms of regulation.

The transnational monopolies' global reach makes them particularly well placed to reap the superprofits available from technological innovation. By their very nature, technological rents — a major source of superprofits in late monopoly capitalism — are transitory, lasting only so long as no significant percentage of the industry has caught up with the innovator. Through its presence in multiple national markets, the transnational can maximise the benefits of its own innovations and reduce, or share in, the rents of competitors.

The competition for superprofits between transnational monopolies largely

accounts for the fact that their rise is accompanied by a growing tendency for innovation to become an end in itself. The competitive drive within earlier, laissez-faire capitalism was to revolutionise the means of production in order to produce commodities more cheaply. The same drive reappears in late monopoly capitalism as a compulsion to increasingly irrational innovation, in which new products become technologically obsolescent even before the demand for them has been met, or in which the new product is oversupplied from the very start because the market expects it to be superseded immediately by a further innovation. Shortages, superprofits and feverish expansion in particular branches of industry thus coexist with permanent overcapacity, declining profit rates and a tendency to overall stagnation.

Continuous technological innovation accentuates the parasitic character of monopoly capitalism. Increasing application of automated production techniques — aimed at lowering the costs of production by radically increasing labour productivity — reduces the place occupied by the direct producers in important branches of industry. At the same time there is a marked growth in the proportion of social capital and labour devoted to distribution and sales, with a massive growth in selling costs (advertising, unnecessary and extravagant packaging, etc.).

Under conditions of semi-abundance created by rising labour productivity, monopoly capitalist competition becomes increasingly directed into a struggle not for producing but for realising surplus value thus pushing the contradictions of capitalism to the point of absurdity. Instead of freely distributing the wealth created by the rise in labour productivity, instead of making it the foundation for a free development of the human being, late monopoly capitalism is forced to promote an artificial organisation of want amid material plenty through manipulative advertising aimed at the dishonest creation of a feeling of dissatisfaction among consumers. Instead of freeing people from the centuries-old obsession with securing the material necessities of life, semi-abundance under late monopoly capitalism results in the increasing enslavement of people to consumer products (moreover, products of mediocre quality and dubious use-value).

The rise of transnational monopolies as the dominant form of capitalist firm in the period of late monopoly capitalism is an expression of the fact that humanity's productive forces have developed to the point that they can no longer be used efficiently within the confines of a single nation-state, even a very large one. But because capitalism has not yet been overthrown in the imperialist countries, this outgrowing of the national state has led, paradoxically, to the concentration and centralisation of the powers of the imperialist state, and to an extension of its economic functions.

In the late monopoly capitalist period, the imperialist state has become an

indispensable instrument for guaranteeing the profits of the monopolies. The shortening of the turnover time of fixed capital, the acceleration of technological innovation, and the enormous increase in the costs of major capital accumulation projects due to continuous technological innovation, increase the risks of any delay or failure in the recovery of profits from these projects. In these conditions, the realisation of profit by the monopolies — and not just the average profit, but the superprofits that they regard as their right — no longer depends on the mere working of the “laws of the market.” The capitalist state’s economic policy must counteract these laws when their operation threatens the profits of the monopolies (for example, by imposing wage controls during periods of high or rising employment).

This intervention of the imperialist state into the capitalist economy gives rise to state monopoly capitalism, that is, capitalism characterised by close cooperation between the monopolies and the imperialist state. This close cooperation is not at all the result of the submission of monopoly capital to the state. On the contrary, it expresses the submission of the capitalist state to the monopolies, achieved largely by increasing fusion of the leading personnel of the state and the heads of the monopoly corporations.

This personal union is most fully expressed in the growth of state capitalist enterprises, that is, so-called public sector enterprises. While formally owned by the state, these enterprises are dominated by representatives of the private sector. Their boards of directors are made up largely of directors of private monopolies.

The role of government-run enterprises is to increase the rate of profit of the private monopolies by socialising and reducing the costs to these monopolies of the supply of electric power, rail freight, telecommunications, etc.

The nationalisation of unprofitable essential sectors of the economy serves the same end. This phenomenon often goes hand in hand with the privatisation of government enterprises made profitable through enormous capital investments by the state. In both cases it is a matter of nationalising the losses and subsidising the profits of the private monopolies.

Aside from direct and indirect subsidies to the monopolies and the use of state power to curtail independent organisation of the working class, imperialist state intervention in the period of late monopoly capitalism takes the form of manipulation of the economy in the interests of big capital. While the postwar boom lasted, there was a widespread misconception (widely accepted in the working class as well as elsewhere) that the boom was the *result* of wise policies on the part of governments, which had learned (from the British economist, John Maynard Keynes) how to even out the business cycle and suppress the other fundamental contradictions of capitalism.



In reality, the most that capitalist economic nostrums could achieve — even in a period of expansion prepared by nearly two decades of depression, fascism and war — was to force the eruption of capitalism's contradictions into new forms.

In the 1950s and '60s, Keynesian policies did moderate recessions, which would in any case have been relatively mild even without intervention because of the underlying factors explained above. By creating artificial markets (directly through state orders, such as for military equipment, and/or indirectly through an increase in the supply of money or credit), the state made it possible for monopolised industries to go through the downturn without reducing prices. In weaker or more competitive branches, such artificial demand permitted the survival of companies that otherwise would have faced bankruptcy.

The cost of this, hidden at first, was permanent inflation. The longer the boom lasted and the more successful was state intervention in preventing major recessions, the more overproduction and overcapacity accumulated from one cycle to the next. At the same time, the increasing monopolisation of the capitalist economy made it easier for large corporations to absorb artificially increased purchasing power by raising prices instead of by increasing production. Larger and larger doses of money or credit became necessary to achieve even minimal anticyclical effects.

By the late 1960s, these contradictions had accumulated to the point that Keynesianism yielded only stagflation — the phenomenon of prices continuing to rise throughout a recession. The pace of inflation began to disrupt international trade, particularly after it forced the abandonment in 1971 of the postwar Bretton Woods agreement that had placed international finance on the gold exchange standard backed by the US dollar.

Fears of runaway inflation became a factor that led corporations to restrict investment and production. The arrival of the first postwar worldwide recession in 1974-75 announced the end of the long boom. Monopoly capitalism's accumulating contradictions, forced underground for a time, had resurfaced with a vengeance.

### **The third stage of the general crisis of capitalism**

The new crisis — more precisely, the third stage of the general crisis — erupted because of the exhaustion of the exceptional factors that had produced the long boom:

- The accumulation of profits during the boom had increased the organic composition of capital.
- Capitalist world markets had been saturated.
- The working class in the imperialist countries had been able in the boom period to increase its standard of living and restrain the growth of the rate of exploitation.

Today, the capitalist business cycle continues to alternate between recession and relative prosperity, but the downturns are longer and deeper, the upturns shorter and more feeble. Between corresponding phases of succeeding cycles there is a substantial, and often irreversible, increase in the level of unemployment and poverty. The general trend is one of long-term decline, with real growth rates in the world capitalist economy falling from an average 4.9% per year in the 1960s to 3.8% in the 1970s, to 2.7% in the 1980s, and to just over 1% in the 1990s.

The new depression has continued and deepened because the contradictions underlying it have not been resolved.

On an international scale, the accumulation of capitalist profits greatly exceeds the opportunities for profitable productive investment. These vast sums are therefore employed in unproductive fields such as currency, real-estate and stockmarket speculation, leading to wild fluctuations and permanent instability in exchange rates, and real-estate and share prices.

Throughout the 1970s and '80s, the stagnation of productive investment encouraged the banks to lend billions of dollars to borrowers whose ability to repay was more and more questionable. Already overburdened countries of the Third World multiplied their debts. In imperialist countries awash with surplus capital, the average corporate debt increased steadily. The easy availability of credit allowed actually insolvent firms to avoid confronting reality by taking out new loans. Consumer credit also was steadily inflated in a deliberate policy aimed both at providing employment for excess capital and at expanding stagnant markets.

Rather than solving the problems facing the system, this accumulation of debt has multiplied them:

Firstly, the ability of less efficient companies to survive one cyclical recession weakens the following recovery by reducing demand for capital goods. It also increases the scale of overproduction in the subsequent recession. Consequently, larger and larger doses of credit inflation are required to achieve the same anticyclical effect. To bring the United States out of the 1980-82 international recession, for example, the Reagan administration had to convert that country from the world's largest creditor to the world's biggest debtor. By the time of the 1990-92 international recession the massive growth in public debt and permanent budget deficits had severely restricted the means available to imperialist governments to stimulate an economic upswing. In an attempt to overcome their financial crisis, imperialist governments have sought to find money through the privatisation of public assets. This short-term "solution" however only reduces their room for manoeuvre in the long term.

Secondly, expansion of world trade is seriously restricted by the instability of

exchange rates created by differing degrees of credit inflation in the major imperialist countries. At a time when capitalist production is more internationalised than ever before, the system demands, but cannot create, a stable international currency.

Thirdly, debt itself has become a growing element of the crisis. As it becomes obvious that increasing numbers of debtors (and not only in the underdeveloped countries) are incapable of repaying loans, the banks with the greatest exposure are themselves threatened. The failure of a major bank could easily set off a chain reaction and destroy the whole international capitalist financial system.

The longer the economic depression lasts, the more it increases inter-imperialist competition and promotes the formation of international trading blocs. Increasing protectionism results from the battle to increase each country's or trading bloc's share of stagnant markets, and this further restricts markets.

Unable to increase their markets, the Third World countries sink ever deeper into debt and come under increased pressure to reduce already miserable living standards in order to protect imperialist banks. At the same time as imperialist domination becomes more unbearable, imperialism's internal contradictions restrict its ability to use military force against anti-imperialist movements. The intensification of austerity and the sharpening of social contradictions prevent the creation of the domestic social peace necessary for a prolonged colonial war. US imperialism in particular still suffers from the political constraints imposed by mass opposition to the direct use of US troops in a prolonged war in the Third World resulting from its defeat by the Vietnamese Revolution (the so-called Vietnam Syndrome). To this is added the contradiction that the militarily strongest imperialist power has lost its economic hegemony within the imperialist camp.

There is no quick and easy capitalist solution to the present long-term economic depression (which is already 20 years old), and for the working class and its allies, any capitalist solution would be catastrophic:

- In an age of nuclear weapons, any attempt to redivide the world market between the various imperialist powers through the traditional mechanism of war could devastate the entire planet. A world war is therefore not an immediate answer even for the most deranged imperialist strategists.
- A qualitative increase of technological innovation in the production of the goods and services that constitute the value of labour-power could massively increase the rate of surplus value while expanding markets (by enabling these goods to be produced and sold more cheaply). However, it would involve an equally massive devaluation of existing capital and an equally massive increase of unemployment, leading to a rapid acceleration of social and political instability throughout the

capitalist world.

- A sudden, substantial increase in the rate of surplus value through brutal reductions in the direct and indirect income of working people would require a massive attack on the democratic rights of the working class in the imperialist countries. However, such a policy would, in the context of the existing balance of social forces in the imperialist countries, run the risk of provoking a deep-going social and political crisis that could seriously challenge the survival of capitalist rule.

Failing these “solutions,” the only option left to the imperialist rulers is a continuation of the policy they have been pursuing for the last two decades (with some success due to the near-total capitulation of the labour bureaucracy) — slow but remorseless reductions in the direct and indirect income of working people. However, this policy is insufficient by itself to raise the rate of profit. While it boosts the total amount of surplus value being produced, at the same time it decreases the purchasing power of the working people and thus restricts the possibilities for realisation of surplus value through the sale of goods. The extra surplus value gained through austerity measures is therefore not channeled back into the production of surplus value, but rather into an enormous expansion of speculative activities (and their inevitable accompaniment — corporate and political corruption). The result is an increase in the instability of, and a decline of public confidence in, the whole capitalist system.

The inability of the imperialist rulers to find a way out of the crisis and the increasing divisions among them lead to a growing crisis of capitalist political leadership — to a loss of confidence within the ruling class in its ability to rule and to a loss of credibility in capitalist political leadership within the general population.

The prolonged depression of the international capitalist economy precludes social and economic concessions to working people on a scale sufficient to close their minds to radical ideas. To the contrary, imperialist capitalism’s real economic prospects — continuing decline, sudden shocks and unexpected breakdowns, growing chaos — make it increasingly difficult for the imperialist rulers even to maintain concessions granted in the past. In these circumstances the implementation of a program that could block the radicalisation of working people — a program of extensive and effective long-term capitalist reform — is excluded. The road ahead is one of increasing class polarisation, sharpening dissatisfaction among the working class and its potential allies, and their growing recognition of the need for radical social change. ■

## **Section 2. Capitalism & the Threat to Human Survival**

The founders of scientific socialism, Karl Marx and Frederick Engels, pointed out that capitalism, through its direct application of scientific knowledge to production, promoted the human utilisation and control of the forces of nature far more rapidly and extensively than any previous mode of production. But they also warned that if the increasingly powerful forces of production called into existence by capitalism were not liberated from the control of the capitalist private profit system and subordinated to conscious social planning and regulation, they would be turned into increasingly powerful forces of destruction.

These contradictory results of the capitalist development of science, technology and large-scale industry — which flow from its contradictory combination of partial rationality (the subjection of productive activity within each capitalist firm to conscious planning) and overall irrationality (the regulation of overall social development and the realisation of social needs according to the blind “laws of the market,” to the quest for private profit) — have reached their ultimate absurdity under late monopoly capitalism. In order to defend the existence of its world-wide system of exploitation, imperialism has amassed an arsenal of nuclear weapons capable of annihilating the entire human race. In its relentless pursuit of private profit, monopoly capitalism has harnessed the immense creative power of modern science and technology to the output of an ever-increasing mass of increasingly meaningless commodities, in the process destroying the global balance of biological and chemical processes that all life on Earth depends on for its survival.

### **War & the threat of nuclear annihilation**

War is a product of the social and economic inequality that characterises class-divided societies. Throughout the history of human civilisation, conflicts between exploiting classes or between exploiting and exploited classes over the sources of social wealth

(human labour and natural resources) have led to prolonged struggles between contending armies.

In their struggle to divide and redivide the world among themselves, the imperialist ruling classes have unleashed wars of historically unparalleled scope and destructiveness. Twice in the 20th century, imperialist capitalism has plunged the entire world into a global war causing the deaths of 10 million people in the First World War, and 80 million in the Second World War. Since the end of the Second World War in 1945, there have been more than 100 “local” wars, causing more than 20 million deaths.

War and preparation for war have become a permanent feature of the imperialist epoch, wasting enormous productive resources. Despite agreements to limit and reduce the production and stockpiles of weapons of mass destruction, nearly 10% of the value of the world’s annual production of goods and services and nearly a third of the world’s annual expenditure on scientific research and technological development are devoted to the production of armaments and the maintenance of armed forces.

Ever since August 1945, when the United States’ attack on the Japanese cities of Hiroshima and Nagasaki marked the first and, so far, only use of nuclear weapons in war, it has been clear that any new world war would be a nuclear war, which would unleash horrors even greater than those of the first and second world wars. Later scientific research into the “nuclear winter,” and other likely after-effects of a global nuclear war, has confirmed the view that humanity would not survive a new world war. A war that promises self-destruction loses its main purpose — which is victory and enjoyment of the spoils of conquest.

Despite this, the US imperialists and their allies began feverish preparations for a third world war almost as soon as the Second World War ended. Their master plan for launching a nuclear war against the Soviet Union and China repeatedly reached dangerous levels — during the opening stages of the Cold War, during the US invasion of North Korea in 1950-51, during the Vietnamese people’s final and decisive battle against their French colonial rulers at Dien Bien Phu in 1954, during the Anglo-French-Israeli invasion of Egypt in 1956, during the 1962 “missile crisis” in Cuba, and during the October 1973 Arab-Israeli war.

For a time, the development of nuclear weapons by the Soviet Union, and later China, acted as a necessary deterrent against the imperialists again using nuclear weapons in war. But at a certain point, the stockpiling of nuclear weapons by the Soviet Union — a result of the Stalinist bureaucracy’s purely military approach to the defence of the USSR — only provided the imperialists with a political pretext to justify the maintenance and expansion of their nuclear arsenal. This undermined attempts to

build a mass movement for unilateral nuclear disarmament within the imperialist countries, particularly in the US itself.

The combination of unilateral initiatives to limit the nuclear arms build-up undertaken by the Soviet Union in the late 1980s and the favourable public response these initiatives generated, forced the US imperialists to enter into agreements to reduce some categories of nuclear weapons. However, the threat of nuclear annihilation still hangs over the world.

The imperialists will not voluntarily surrender the power that nuclear weapons give them to terrorise the working people of the world. As long as nuclear weapons remain in the hands of the imperialists, the danger exists that they will once again use them, particularly if, as in 1945, they are confident there will be no nuclear retaliation, and if they judge that their gains will outweigh the price they will pay in horror and hatred by working people at home and around the world.

While a mass campaign against imperialist militarism can limit the ability of the imperialists to wage war, in the final analysis only a successful struggle for power by the working class in the imperialist countries, above all the victory of the US working class, can disarm the imperialists and thus free humanity definitively from the threat of war and nuclear annihilation. As the experience of the mass movement against the imperialist war in Vietnam in the late 1960s and early '70s showed, mass campaigns against imperialist wars can contribute to the growth of consciously anti-capitalist forces in the imperialist countries. When linked to a general upsurge in the class struggle, such campaigns can enable such forces to mobilise the working class in a successful struggle for power, as was demonstrated by the Bolshevik party in Russia in 1917.

## **The growing ecological crisis**

In addition to the permanent threat to humanity's survival posed by the existence of huge stockpiles of nuclear weapons, late monopoly capitalism is destroying the global balance of bio-chemical processes that human life depends on for its very physical survival.

As a result of the unchecked emission of greenhouse gases (particularly carbon dioxide via the burning of fossil fuels and the burning of felled forests) it is now predicted that over the next 50 years the Earth's average surface temperature will increase sufficiently to cause dramatic climatic changes, causing catastrophic effects to the world's agriculture. Moreover, predictions based on current trends indicate that these climatic changes will be combined with an increase in deadly ultraviolet rays reaching the Earth's surface — due to the depletion of the planet's upper atmosphere

ozone layer caused by the accumulation of a number of pollutants. In addition to these problems, the devastation of tropical forests, the slow dying of temperate forests (due to a lethal combination of air, water and soil pollution), the poisoning of oceans, rivers and reservoirs with domestic and industrial/agricultural by-products, the poisoning of the air over urban areas due to emissions from automobiles, the massive elimination of plant and animal species at a rate 1000 times greater than would occur naturally, the accumulation of toxic substances in and progressive loss of topsoil threaten to make increasing areas of the planet uninhabitable.

These problems — and the main obstacle to their resolution — are not due to lack of scientific knowledge, but to the fact that pollution is more profitable to capitalist companies than ecologically sound alternatives. Capitalism is incapable of utilising natural resources in a way that meets not only the current needs of all members of society but those of future generations as well:

- If resources in capitalism are “freely” available, like water, air and soil, then they are treated as “external factors” whose cost of reproduction is ignored. If, however, they are incorporated into the costs of production of capitalist firms (for example through government taxes and charges on the use of these resources) the burden of these extra costs is simply passed on to the consumer.
- The compartmentalisation of production under capitalism (in which each particular natural resource is the independent object of profit-making) and the self-centered rationality of each individual capitalist firm make it “cheaper” to throw away or incinerate industrial by-products than to recycle them. Thus mountains of waste and toxic waste are the inevitable result of the capitalist version of the “affluent society.”
- Rather than spending money on ways to prevent pollution, capitalists prefer anti-pollution programs that aim to repair some of the damage after it has been done. Such programs can be carried out at the ordinary taxpayers’ expense and even become yet another source of profits for the polluters.
- Capitalism’s need to maximise short-term profits also leads it to impose irrational patterns of consumption on the mass of consumers through the commodification of rational needs (for example, substitution of private automotive transport for mass public transport systems) and through manipulative advertising. To this extent, the behavior of individual consumers is a factor contributing to the ecological crisis. Capitalist ideology plays directly on this factor with its credo that “people are responsible for the crisis” or with the claim that it is caused by “excessive consumption” on the part of ordinary working people in the imperialist countries. Such arguments are a convenient means of diverting attention from the



fundamentally anti-environmental nature of the capitalist mode of production — and the patterns of consumption it *forces* working people to adopt.

In the 19th century, Marx and Engels pointed out that the quest for short-term private enrichment by competing entrepreneurs — the driving force of the capitalist mode of production — inevitably led to the utilisation of natural resources without regard for their long-term consequences, and therefore without regard to their consequences for the natural environment. The current ecological crisis, however, is not simply a linear result of the process of capitalist industrialisation since the 19th century. It is the product of a qualitative leap in the pollution of the planet's air, water and land which came about within the framework of the long economic upswing of the 1950s and '60s in the imperialist countries — through a massive increase in the use of fossil fuels, particularly oil, and the accompanying enormous expansion of the automotive industry, and through the development of synthetic chemicals which have penetrated every sector of human activity. This qualitative leap has been reinforced since the early 1970s by the global capitalist economic crisis, which has also led to intensified imperialist exploitation of the Third World.

For more than half of humanity, the ecological crisis is not a long-term struggle for survival of the human species or to save coming generations, but a daily struggle for personal survival. In the Third World today, 500 million people are hungry and 40 million die of hunger and related diseases each year; 1.3 billion have no reliable source of clean drinking water and 23 million die each year from a lack of drinkable water; 2.3 billion live without proper sanitation and 40 million die each year from preventable diseases; 1.7 billion live without a regular supply of electricity; 1.5 billion suffer from a serious lack of wood fuel, which is practically their only source of fuel for cooking; 825 million are illiterate and over a third of those able to work are unemployed or permanently underemployed.

By keeping the great majority of the peoples of the Third World in abject misery and in need of immediate solutions to basic problems of personal survival, and therefore unable to take the needs of future generations into account, imperialist exploitation is the fundamental driving force behind the destruction of tropical forests, agricultural/horticultural practices which contribute to desertification, and the employment of hazardous industrial processes in the Third World. Imperialist exploitation of the semi-colonial countries, and the consequent poverty it creates, is also the root cause of the demographic explosion in the Third World. Denied access to a suitable infrastructure for social protection during illness and old age, the poor are forced by necessity to rely on large families, even though this places an increasing long-term strain on these countries' natural environment. Imperialist exploitation thus forces

billions of people into environmentally destructive forms of behaviour which, nevertheless, represent their only chance of personal survival under the socio-economic conditions imposed by the world capitalist system.

An effective struggle against pollution and the degradation of the world's ecology will necessitate a radical restructuring of the world's economy, including:

- The cancellation of the crushing debt owed by the Third World to imperialist governments and banks.
- Replacement of the present system of international trade based on unequal exchange between the highly industrialised countries and the Third World, with a system that promotes rather than retards the economic development of the Third World.
- A thorough-going land reform in the Third World and a massive and long-term program of ecologically sound industrialisation, funded by the industrialised countries, to eradicate poverty, hunger and mass unemployment.
- Large-scale public programs to convert military production to the production of goods for civilian use; to replace the use of fossil fuels with renewable energy sources; to develop public rather than private transport systems; and to carry out a mass conversion of industry to production processes that eliminate pollution and waste right from the start.

Implementation of such measures will require that decisions about investment and choices about production techniques be subject to overall social regulation and planning and therefore that ownership of the decisive means of production be taken out of the hands of private corporations and transferred to society as a whole.

Creation of such a system of world-wide democratic planning will not be possible as long as the capitalist class can defend its anarchic private profit system through its control of powerful national military apparatuses, armed with weapons of mass destruction. The struggle to disarm imperialism is therefore intimately connected with the struggle to defend the environment. Both threats to humanity's survival — the ever present danger of nuclear self-destruction and capitalism's on going destruction of the Earth's ecology — point to the urgent need to educate and organise working people for a revolutionary struggle to abolish capitalist rule and replace it with a world-wide federation of socialist republics. ■

# Part II. The Origins and Development of Capital & Labour in Australia

## Section 1. Australian Capitalism

Modern Australian society is a product of the capitalist economic and political forces that have ruled most of the world since the rise of the capitalist class to power in Western Europe. The British colonisation and settlement of Australia was part of the worldwide expansion of capitalism.

The initial aim of the British settlement of Australia was to establish an outlet for Britain's large prison population, consisting overwhelmingly of the descendants of declassed peasants driven from their lands at the beginning of the Industrial Revolution.

By the end of the 1820s, however, facing widespread industrial unrest, a large prison population, and mass discontent in Ireland, the British government began also to favour mass emigration of those who could not be profitably employed in Britain's capitalist industries. Beginning in 1831, the British government began to promote emigration to Australia by the poor and the unemployed. At the same time, the Australian colonies began to assume more importance to British capitalism as a source of raw materials, particularly wool.

### **A settler outpost of British capitalism**

From their foundation, the Australian settler colonies were integrated into the worldwide division of labour imposed by Britain, the then-dominant capitalist power. The colonial settlement of Australia was part of the same process that resulted in British colonisation of India, North America and parts of Africa. However, significant differences in these

colonisations explain why Australia became a developed capitalist country while India and many other former British colonies were condemned to semi-colonial underdevelopment.

Prior to its conquest by Britain, India already had a fairly highly developed pre-capitalist economy producing a large social surplus product, particularly in agriculture. British capitalism conquered India in order to appropriate this surplus. Therefore, it sought to maintain the agrarian social relations under which this surplus was produced and expropriated. At the same time, British capital sought to open up the Indian market to British manufactures. Competition from cheaper, British manufactured goods destroyed India's large artisan class and also blocked the development of a strong, competitive industrial capitalist class. Australia, by contrast, was regarded by the European colonists as an unowned and therefore "empty" continent — one lacking a pre-capitalist social surplus product available for plunder by a power with a technological edge in productive capacity and military force.

In its broad outlines, the origins of modern Australia were similar to those of other British colonial settler societies such as the USA, Canada, and New Zealand.

The previously existing hunter-gatherer economy of the indigenous tribes produced only enough for the reproduction of their society. There was no significant social surplus product. The British colonisers therefore did not attempt to maintain the social relations of Aboriginal society. Instead, they sought to appropriate the lands upon which Aboriginal tribal societies depended for their survival. This policy of dispossession was accomplished through outright physical extermination of Aborigines, or their forcible herding into tightly controlled reservations.

As the collectivist hunter-gatherer Aboriginal tribes were decimated and dispossessed, a capitalist colonial-settler society was able to develop largely unfettered by pre-capitalist social relations. An Australian capitalist class began to develop as an offshoot of the British capitalist class. Australian society did not become an exploited colony of British imperialism, but a colonial settler outpost of British capitalism sharing a basically similar social structure.

As an offshoot of British capitalism directly benefiting from Britain's domination of the world market in the 19th century, and with a small population in a large and resource-rich continent geographically isolated from Europe, Australian capitalism enjoyed a rather less turbulent development than most of the other industrial capitalist societies.

With the rise of an export-oriented agricultural sector to dominance in the early 19th century and the establishment of a powerful layer of capitalist farmers, the preconditions for the development of industrial production gradually appeared in

Australia. However, not until the gold rushes of the 1850s did a strong industrial bourgeoisie begin to be consolidated.

This class of wealthy merchants, bankers and industrialists benefited from the new wealth of the goldfields, the new flow of British capital into the country following the goldrushes, and the growth of wage labour and of the domestic market as a result of large-scale immigration from the British Isles.

During the second half of the 19th century, modern capitalist economies began to develop in the politically separate Australian settler colonies. These economies were fuelled by the wealth of the goldfields; favourable terms of trade for wool, wheat, and some mineral exports; and mass immigration that provided skilled labour and an expanding domestic market.

The relative geographical isolation of Australian capitalist industry in the world market, and the small size of its domestic market, limited the development of the economies of scale necessary to make Australian manufactures competitive on the world market. The small size of Australia's population also led to a relative shortage of labour compared with other industrial capitalist countries. These conditions helped to create a comparatively self-confident working class, which was able to win wages and conditions that were high by the standards of late nineteenth century capitalism.

Taken together, these factors ensured that Australian capitalism was not competitive in the world market except in large-scale primary production, which required a small labour force. Thus, while a domestically oriented manufacturing sector expanded behind the protection of high tariff barriers, in world capitalist markets Australian capitalism specialised in production of agricultural goods (wool and wheat) for export to agriculturally deficient Britain.

### **Development of the Australian capitalist nation-state**

Unlike the United States, or Britain itself, Australia never experienced a bourgeois revolution that overthrew feudalism and brought the capitalist class to power. However, because there was no previously existing pre-capitalist ruling class, the Australian capitalist class developed in relatively favourable conditions. The British colonial power was not able, and did not think it necessary, to block the rise of an independent Australian capitalist class.

The process of creating an independent nation-state in Australia involved few serious political or economic conflicts between the British ruling class and the emerging Australian ruling class. The introduction of parliamentary forms of rule was also achieved without recourse to revolution, though popular struggle played an important role in the extension of democratic rights beyond the propertied classes.

Prior to the 1820s, the Australian settler colonies were ruled autocratically by British-appointed governors. In the following decade, nominated legislatures were set up, and in the 1840s these became subject to election according to the restricted franchise then in force in Britain (public voting, property qualifications, exclusion of women).

The petty-bourgeois struggle for democracy (the high point of which was the 1854 miners' rebellion at the Eureka Stockade in Ballarat) played an important role in the extension of formal democracy in the second half of the 1850s. Formal constitutions were granted to each of the colonies in 1855-56. Under these, the governor became subordinate to the colonial legislature. In Victoria, scene of the Eureka rebellion, the secret ballot was adopted in 1856 and in the following year universal manhood suffrage was introduced for the lower house of the colonial parliament.

Similar democratic reforms were introduced in the other settler colonies before the end of the decade. However, the lack of political organisation among working people, the veto power of upper houses (which still were elected only by property owners), and the concentration of administrative power in the hands of a paramilitary police force, ensured that the reformed parliamentary system in the self-governing colonies remained firmly at the service of the capitalist class.

In the decades before federation, the centre of political power in the colonies shifted from the legislative to the executive branch of the state. Extensive government revenues (foreign loans, taxes and excise duties) were used not only to expand the infrastructure of the colonial capitalist economies (construction of roads, railways, post and telegraph systems, lighthouses, harbors, etc.), but to finance a large and highly centralised permanent state apparatus (civil bureaucracy, judiciary, police force).

By the 1880s, lack of coordination between the economic policies of the separate colonial governments had begun to impede the development of Australian capitalism. The decline of British dominance in the South Pacific, and the growing regional influence of other colonial powers (France, Germany) also added pressure for the creation of a nationally unified capitalist state machine.

In a series of intercolonial conventions in the 1890s, the basic structure of this nation-state was worked out by the representatives of the big merchants, bankers, industrialists, and wealthy graziers. This structure was codified in the national constitution of the Commonwealth of Australia.

The framers of this document faced two main problems. Firstly, they had to ensure that real power remained firmly in the hands of the capitalist class while at the same time winning the acceptance of the workers and small farmers who made up the majority of the population. To do this, they needed a constitution that appeared to

provide for popular control of the national government. Secondly, they had to deal with conflicting interests between and within the ruling classes of the various settler colonies (local versus transcontinental capital, free traders versus protectionists).

To solve these problems, the national constitution provided for a federal state with a structure that kept popular participation to a minimum and ensured a strict division of authority between the national and state governments. It provided for a federal legislature with a popularly elected lower house (House of Representatives), and an upper house (Senate) based on equal representation from each state and having considerable powers to delay or block the workings of the lower house.

A federal executive, composed of members of the federal legislature, would as closely as possible imitate the British cabinet system. An unelected governor-general would have the power to dissolve the federal legislature, appoint and dismiss federal ministers, authorise government expenditures and have formal command over the military forces. A high court, consisting of judges appointed for life by the federal legislature, would interpret federal law and rule on the relative powers of federal and state governments. Any alteration or amendment to the constitution would require the approval of both houses of the federal parliament and ratification by a referendum that achieved a majority of popular votes overall and in a majority of states.

The constitution contained no guarantees of specific democratic rights (freedom of press, free speech, right to strike, freedom of assembly and association, etc.). Nor was there any provision for the mass of people to remove or recall any elected or appointed official from office. The Australian constitution was a practical agreement as to how the different sections of the capitalist class would share political power among themselves.

The Australian capitalist class initially saw its federal state as a rather weak institution designed to promote and defend national capitalist economic interests by establishing an internal free trade zone highly protected from foreign competition, and a national administrative framework for shipping, immigration, tariffs, posts and telegraphs. However, the emergence of monopoly capital and the sharp crises that wracked the imperialist system in the following decades (two world wars, economic depression) forced the capitalist class to massively increase its central state machinery.

During World War II and in the immediate postwar years, the size and role of the Australian capitalist state machine grew vastly, particularly at the federal level. The army, navy and airforce were greatly enlarged and a specialised political police (ASIO) was created. State-owned enterprises were set up or strengthened to provide infrastructural services to big capital and to regulate the marketing of primary products. An extensive network of state welfare agencies was established to maintain relative

social peace by redistributing income within the working population.

### **Australia's role in the world imperialist system**

Like every other developed capitalist economy in the 20th century, the Australian economy became dominated by monopoly capital. The rise of monopolies in Australia was promoted by the military demands of World War I (which accelerated growth of the metal and heavy engineering industries) and the establishment in the 1920s of new industries requiring large capital investments (domestic appliances, electrical and rubber goods, chemicals).

During these same decades, the Australian capitalist class began to carve out its own colonial and neo-colonial empire through the acquisition of Papua New Guinea and the economic domination of some of Britain's South Pacific colonies.

Throughout the 1920s and 1930s, Australian imperialism played the role of a junior partner to British imperialism. However, during and after World War II the decline of British power in Asia and its replacement by US imperialism led the Australian ruling class to forge a politico-military partnership with Washington. In the postwar period this partnership was formalised in the ANZUS and other military pacts. While clearly a junior partner in these alliances, the Australian capitalist class retained firm control of the Australian state apparatus, using it to defend its interests both within the domestic economy and on the world market.

Today, the Australian ruling class is a willing partner in the network of imperialist military alliances led by the United States, the dominant imperialist military power. By hosting US intelligence and military communications bases and by providing facilities for US warships and bombers, the Australian imperialist state plays a vital role in the US nuclear terror network.

The Australian imperialist state has enthusiastically participated in reactionary military interventions in Asia (Malaya, Korea, Vietnam). Indeed, the Australian ruling class, perceiving that the victory of the anti-imperialist forces in Vietnam could potentially threaten Australian imperialist interests more seriously than those of the United States, pressed Washington to intervene militarily in Vietnam.

Through its military forces and espionage agencies, the imperialist Australian state collaborates actively with other imperialist powers (particularly the USA, France and New Zealand) in policing the South-East Asia/South Pacific region. At the same time, in the context of heightened inter-imperialist competition accompanying the long-term structural crisis of world capitalism that began in the 1970s, Australian imperialism has sought to assert its own regional hegemony at the expense of French imperialism, and to a lesser extent, US influence.



While foreign capital has a significant stake in the Australian economy, Australian monopoly capital controls the strategically vital sectors of the economy. Like other advanced capitalist economies, the Australian economy is heavily monopolised, with the largest 200 corporations accounting for more than 60% of the turnover of Australian industry. More than half of these monopolies are controlled by Australian capital.

In contrast to the situation in colonial and semi-colonial countries, foreign investment has promoted rather than retarded industrialisation in Australia. The Australian capitalist class has encouraged foreign investment in order to gain access to advanced technology and to finance expansion in areas that Australian capital alone could not support.

Since the 1960s, Australian capital has considerably increased its investments in the Third World, particularly in the neo-colonial countries of South-East Asia, where it is able to reap superprofits by directly exploiting these countries' impoverished labour. Australian capitalism also participates in the imperialist exploitation of Third World countries through the mechanism of unequal exchange on the world market.

In line with the general trend in the period of late monopoly capitalism, a majority of Australian capitalism's foreign investments have flowed to other imperialist countries — the USA and Britain in particular. The largest Australian monopolies have also joined the late monopoly capitalist trend towards internationalisation of their operations, in the process becoming transnational corporations.

### **Specific problems of the Australian capitalist economy**

Among the imperialist powers, Australia is unusually dependent on exports of primary products (agricultural produce and minerals) and imports of machinery. Even though these exports are produced under conditions of high labour productivity and therefore do not subject Australian capitalism to the drain of value that afflicts Third World primary producers, these commodities are more subject than manufactures to abrupt price fluctuations and to the long-term trend for primary goods to decline in value relative to manufactured commodities.

The Australian domestic market is too small to support a strong and diverse capitalist manufacturing industry, but a large number of manufacturing capitals that would be uncompetitive in the world market have been able to survive thanks to government protection. Potential export markets in South Asia and South-East Asia are limited by a combination of the poverty of these regions' neo-colonial economies and their domination by more efficient imperialist producers, especially those of Japan. At the same time, Australian capitalism shares indirectly in the profits from Japanese exports, since it provides Japanese industry with massive quantities of mineral raw

materials.

In the intensified inter-imperialist competition that has inevitably accompanied the long-term depression of the world capitalist economy since the early 1970s, Australian capitalism confronts the danger that greater international protectionism will undermine the profitability of even its more competitive exports, particularly since these are overwhelmingly primary products.

Because of the small size of its economy, the development of Australian capitalism has always been constrained by its relatively limited domestic capacity to accumulate capital. Its development has therefore relied heavily on overseas capital (either in the form of direct investments or loans). These capital imports were traditionally balanced by high earnings from primary exports. But as the latter have declined in value under the impact of intensified inter-imperialist competition, Australian capitalism has found itself facing a chronic balance of payments problem, and mounting foreign debt.

Due to the new conditions of long-term decline in the world capitalist economy, and the resulting increase in inter-imperialist competition, Australian imperialism now needs to mobilise capital from its uncompetitive industries into areas where it is likely to be more competitive — a limited number of specialised, technologically developed industries.

Intensified inter-imperialist competition makes it extremely difficult to achieve this restructuring without massively devaluing existing capital. While this restructuring is necessary for Australian capitalism as a whole, some sectors of the capitalist class (particularly the owners of firms with capital tied up in internationally uncompetitive industries) will resist it because it opens the way to their elimination by capitalists capable of quickly establishing more efficient industries.

Withdrawal of protection is the only practical mechanism available to the Australian imperialist state in its drive to force restructuring upon reluctant capitalists in inefficient industries. Here, capitalist governments, whether Labor or conservative, face a number of dilemmas. Measures that are too mild do not bring the desired movement of capital, while measures that are too sharp and sweeping can lead to a loss of capital rather than its redirection into more competitive industries. Selective cuts in protection heighten existing tensions and conflicts within the Australian ruling class, creating an unacceptable degree of political instability at a time when the capitalist class needs maximum unity against its international competitors and domestic opponents.

The ruling class is anxious to avoid provoking a unified explosion of working-class resistance to its restructuring drive. Because of the relative weakness of many sectors of Australian capital, particularly in manufacturing, many capitalists cannot afford prolonged or bitter struggles with the labour movement. These sectors value social

peace highly.

The ruling class is thus continually divided by a conflict of interests between these sectors and those in a relatively stronger position to pursue a more confrontationist policy. In relation to the labour movement, this tension leads to periodic political oscillations between class-collaborationist integration and confrontationist repression. Which of these policies dominates at any time depends to a considerable degree on the phase of the capitalist business cycle and the level of working-class struggle.

While they may differ on the best methods of carrying out the restructuring made necessary by capitalism's long-term international crisis, all sectors of the capitalist class are agreed that one central element of the solution is a reduction in the living standards, working conditions and democratic rights of the working class.

This is an important change from the situation that prevailed in the two decades before the onset of the present structural crisis. During the long period of accelerated capitalist growth after World War II, slowly rising real wages could coexist with steady or even rising profits. Since the early 1970s, however, all sections of the capitalist class are agreed that this situation is gone forever.

Ultimately, the main aim of the restructuring of Australian capitalism is to increase the rate of profit — both of individual capitalists and of Australian capitalism as a whole. While the drive to achieve this determines the class unity of the capitalist rulers in their attacks on the working class, it also increases conflict and competition within the capitalist class over the division of surplus value.

In coming decades, Australian imperialism will increase its investments in the semi-colonial countries of the Asia-Pacific region, and will intensify its search for secure markets there. The higher rates of profit available from such investment will more than offset the risks of political instability. At the same time, increased economic penetration of the region will almost certainly be accompanied by increased political and military intervention to protect these investments from the threat of social revolution.

At home, the ruling class will continue its restructuring drive and its offensive against the living standards and democratic rights of working people, provoking growing popular radicalisation and resistance. ■

## **Section 2. The Australian Working Class**

In its development, the Australian working class has exhibited many of the contradictory features that characterised the workers' movement in Britain in the 19th century. Like the Australian capitalist class, the Australian working class has been strongly marked by its British origins, but it has also displayed many distinctive features, flowing mainly from the special position of Australia as a capitalist power with a predominantly white population in a large continent on the edge of the Asian region.

### **Distinctive features of the Australian labour movement**

During the first decades of the British settlement of Australia, the labouring population consisted overwhelmingly of convicts. In the early part of the 19th century, a non-convict labour market began to develop in response to complaints by private employers about the inefficiency of convict labour. This "free" labour supply consisted of ex-convicts, free immigrants, retired military personnel, and convicts who were permitted to sell their labour power in their spare time. With the expansion of the pastoral industry and large-scale assisted immigration of Britain's urban poor to Australia from the early 1830s, convict labour declined significantly in the economic life of the Australian colonies.

Because Australia's interior is not so well watered as comparable land in the USA, the country was not nearly so favourable for small farming. As a result, Australian agriculture was dominated from the beginning by large-scale capitalist pastoral operations using wage labour.

Rather than the peasant farmer of Europe or the independent smallholder of the United States, from the very early stages the typical rural dweller in Australia was an itinerant wage worker. This conditioned the early rise of a rural labour movement. The shearers, in particular, became the backbone of the Australian Workers' Union.

The itinerant lifestyle of much of this rural workforce, and the fact that an important

part of the capitalist class acquired its initial wealth from the pastoral capitalism of the early 19th century, provided the social basis for a key component of the nationalist ideology of the Australian capitalist class — the myth of rugged individualism and mateship in the harsh conditions of the Australian bush.

In the period from 1860 to 1890, a long capitalist boom in Australia provided the material conditions for the rise of a strong, though narrowly based, trade-union movement, and for the domination of liberal and opportunist ideas within it. The boom established the basis for collaboration between Australian capital and the leaders of the labour movement around the following issues:

1. *Protectionism.* The mining of gold in the 1850s provided investment funds for industrial and commercial capital in Australia. In Victoria — the immediate centre of the gold rush — the new industries were protected by tariffs on imports. The young working-class movement allied itself with the industrial capitalists in their fight with the rural capitalists (squattocracy) for tariff protection. This seemed to be the obvious way of securing jobs for the growing numbers who abandoned gold prospecting after the initial rushes. In the minds of many workers, higher living standards became identified with protectionism.

2. *State intervention.* Like other industrial capitalist economies that began their development in the shadow of Britain's industrial and commercial domination of the world market, Australian capitalism was forced to rely on a high degree of state intervention in the economy to provide the infrastructure within which indigenous capitalist industry could flourish.

Protectionism was but one aspect of this state intervention. Unlike Britain and the USA, where there was a high level of private investment in railways, roads, canals, bridges, harbours, telegraph networks, etc., in Australia no private entrepreneur could provide the necessary capital for the construction of these vital transport and communications systems. Instead, they were built and operated by the collective capitalist — the capitalist state.

The capitalist state thus became a large employer, providing secure employment for a significant section of the workforce and strengthening the unions' bargaining power with private employers. As a result, Australian workers were able to win comparatively high wages. Within the emerging labour movement, this strengthened the false belief that the capitalist state could be used to serve workers' interests. This liberal illusion was most strongly expressed in the demand of the trade unions for the establishment of state arbitration courts. For many labour radicals, socialism simply meant increased economic intervention by the capitalist state.

3. *Racism and pro-British xenophobia.* Because the Australian nation emerged as a

white settler outpost of British colonialism, based on the dispossession and brutal suppression of the Aboriginal tribes and dependent on the protection and prosperity of British capitalism in a region of non-white, colonially oppressed peoples, the nationalist ideology of the emerging Australian capitalist class was characterised by white supremacism and pro-British xenophobia.

An economic boom in the 1860s coincided with the end of assisted immigration from Britain, creating a chronic labour shortage that enabled the working class to win wages and conditions better than those prevailing in Europe. Defence of this relatively higher standard of living through control of the labour supply became a key aim of the unions.

Sections of the capitalist class sought to weaken the unions' position by swelling the labour market with immigrant labour from Asia and the South Pacific. Instead of attempting to draw Chinese or Pacific island labour into the union movement, the labour leaders identified these non-white immigrant workers as enemies and sought an alliance with the dominant section of the bosses to impose racially based immigration controls. Many union leaders became active proponents of the xenophobic racism that was central to Australian nationalism. Repeatedly in the 1880s and 1890s, intercolonial trades union congresses passed resolutions calling for a White Australia policy.

4. *Bourgeois-democratic reforms.* In the relatively favourable circumstances of a persistent labour shortage, the working class was able to achieve the democratic right to organise in trade unions. The general prosperity resulting from the post-1850s boom softened social conflicts and made the Australian capitalist class far more willing than its European counterparts to concede formal democratic rights (universal male suffrage, secret ballot, etc.) to sections of the working class.

The absence of an entrenched hereditary landowning class and the early extension of formal democratic rights to male workers fostered strong petty-bourgeois egalitarian illusions among the latter. These illusions were incorporated into the nationalist ideology of the Australian capitalist class through the myth that Australia is a classless, egalitarian society in which conflict between capital and labour may be resolved harmoniously.

## **The formation & role of the Australian Labor Party**

All of the above negative features of the Australian labour movement were clearly evident in the years following the strikes that broke out during the deep recession of the early 1890s. The trade union movement, which had doubled in size in the late 1880s as a result of an influx of semi-skilled and unskilled workers into its ranks,

generally entered the strike struggle with some confidence of victory. This was especially so in New South Wales, where the maritime strike was directed by a powerful Trades and Labor Council. Yet the workers received a rude shock when the colonial government used the army and special constables to protect scab labour.

The defeat of all the major strikes of this period — the 1890 NSW maritime strike, the 1891 and 1894 Queensland shearers' strikes, and the 1892 Broken Hill miners' strike — led large numbers of workers to conclude that industrial action alone was insufficient to defend their interests. These conclusions led to growing working-class electoral support for the Labor Party, the formation of which had already been initiated by the craft-union dominated trades and labour councils in the eastern colonies.

While socialists and militant unionists played an active part in the early development of the Labor Party, it quickly became dominated by an alliance of right-wing union officials and the party's parliamentary representatives. The latter were made up overwhelmingly of labour's petty-bourgeois attorneys (lawyers, journalists) and hangers-on (small businessmen). This takeover was assisted by the widespread liberal-democratic illusion that parliament could be used to defend workers' interests. Even the socialist minority in the ALP did not go beyond a parliamentarist conception of politics.

From the beginning, the ALP parliamentarians saw themselves as mediators of the conflict between labour and capital, using legislative reform to harmonise class interests. Laborist ideology emerged as an amalgam of nationalism, liberalism, and a view of socialism as state intervention in the capitalist economy. The ALP's parliamentary reformism posed no threat to capitalist rule. On the contrary, it actually assisted the capitalist class as a whole by partially integrating the unions into the capitalist state through support for the establishment of compulsory arbitration courts.

In addition, the Labor Party's relative independence of any particular section of the capitalist class made it an ideal vehicle for reforms that were in the interests of capitalism as a whole. This was illustrated by the role of the ALP in the consolidation of the federal state. The first long-term Labor government came to office in 1910, at a time when the other capitalist parties, which were more directly tied to sectional interests within the capitalist class, were stumbling over the task of forging a single nation-state out of the six former British colonies that had federated in 1901. Almost a decade after federation, it was left to the Fisher Labor government to push through a series of measures crucial to the consolidation of a unified capitalist nation-state in Australia (establishment of a single national currency, a national army and navy, one national postal system, the transcontinental railway, selection of a site for the national capital).

The ALP's commitment to the defence of the interests of capital as a whole (the so-called national interest), and its political hegemony over the organised workers' movement, have led the dominant sections of the capitalist class to entrust it with government during Australian capitalism's most serious economic and military crises this century.

While formally the party of the trade unions, in reality the ALP is a political machine controlled by an alliance of the trade-union bureaucracy and the Labor parliamentarians. The union bureaucracy regards political action in the same way it does industrial action — purely as a means of bargaining for concessions from the capitalist class. It shares with the Labor parliamentarians a fundamental allegiance to capitalist democracy.

The ALP regards the institutions of the bourgeois-democratic state, particularly parliament, as the main arena of political activity. The ALP seeks to convince workers that their needs can be met through the parliamentary system and other institutions of the capitalist state, such as the industrial courts, rather than through their own organisation and collective action.

In government, the ALP acts within the limits imposed by the institutions of the capitalist state — its parliamentary system, courts, army, police and civil bureaucracy. ALP governments defend capitalist property relations and seek to create the most favourable conditions for the accumulation of capitalist profits. They are in no sense workers' governments. On the contrary, they are capitalist governments. This fact is merely a reflection of the capitalist character of the ALP itself.

## **The Australian working class today**

Contrary to the widely accepted myths of bourgeois sociology, class differences did not vanish during the long capitalist boom that followed World War II, nor was the Australian working class dissolved into a generally comfortable new middle class.

In fact, wealth and economic power became concentrated in the hands of a steadily smaller percentage of the population. At the same time, throughout the 1950s and '60s extensive mechanisation and monopolisation of factory, farm and office led to a considerable increase in the size of the Australian working class both in absolute terms and in relation to other social classes.

Spurred on by the needs of monopoly capital in a period of accelerated expansion, these changes in the postwar period significantly altered the composition and character of the Australian working class in the following ways:

- The postwar boom created a labour shortage that enabled a large number of women to enter the labour market.



- The growing use of part-time workers absorbed yet more women, as well as young people, into the workforce.
- Large-scale immigration from non-English-speaking European countries significantly altered the ethnic composition of the workforce, and particularly the industrial working class.
- The industrialisation of agriculture reduced the relative weight of rural workers within the working class while simultaneously increasing the role of wage-workers on the farms.
- There was a sharp decline in the percentage of manual production (“blue-collar”) workers in the labour force as a whole. A major contributor to this has been a decline in the percentage of workers involved in the mining, manufacturing, construction, electric power, transport and communications industries, due to increases in labour productivity produced by semi-automated or automated production processes. On the other hand, these processes have increased the role of intellectual labour in the production process (highly skilled repair work, technical supervision, data-processing, etc.).
- As in all the advanced capitalist countries, the sales and service sectors have grown substantially, leading to a percentage growth of the workers employed in wholesale and retail trade, advertising, etc., and in the services sector (health, education, government administration, banking, finance, tourism, etc.).
- The mechanisation of a large amount of clerical and sales work, and even of intellectual labour, created a new reserve of proletarianised and alienated labour, a fact reflected in the growth of “white-collar” unionism.

These changes in the composition and character of the Australian working class, together with the extensive monopolisation of all branches of the economy, have tended to sharply limit the scope of petty-bourgeois dreams and aspirations, even among skilled sectors of the working class. The great majority of Australian workers now regard themselves as permanent wage earners rather than potentially independent producers.

Relatively few workers believe that they will one day own a small business and have an independent livelihood. At the same time, they believe their children are entitled to a better education and a better life than they had. With fewer traditional petty-bourgeois illusions than any previous generation of Australian workers, they nonetheless feel that they have a right to what are sometimes considered middle-class living standards. These include a guaranteed and rising income, expanded medical and retirement guarantees, adequate transportation, a rounded and continuing education, peace, and a healthy environment for their children.

Today, there is a growing contradiction between the expectations of the majority of Australians and the harsh reality of declining incomes, education cutbacks, public service cuts, health care cuts, a growing housing shortage, increasing attacks on the rights of women and other specially oppressed sections of the population, the permanent threat of war, and accelerating destruction of the environment.

In the early 1970s capitalism, in Australia and internationally, entered a prolonged economic crisis. Capitalism today is less able to deliver a comfortable and rising standard of living to working people. While it can still offer very comfortable circumstances to some, it is forced to cut the wages of the great majority and the services available to them.

This contradiction, combined with the other oppressive features of Australian and international capitalism, can be a powerful factor leading large numbers of Australian workers towards a higher level of political consciousness, a break with Laborist reformism, and recognition of the need for the socialist transformation of Australian society. ■

# Part III. Socialist Strategy & Tactics

## Section 1. The Conscious Character of the Movement for Socialism

The working class is the main social force in the struggle to replace capitalism with socialism. In advanced capitalist countries such as Australia, wage workers are the main producers, and the working class is the largest class, constituting more than 80% of the population. The labour of wage workers is indispensable to the economic life of modern capitalism, and is the main source of capitalist profit.

The central place of wage workers in the productive process gives them the social power to overthrow capitalism. No other social class or group has the power to achieve this. This is not to underestimate the importance of anti-capitalist struggles by other social forces, as such struggles can offer a political lead to the working class. Nor should the concept of working-class struggle be narrowly defined. Working-class struggle often takes varied forms around a wide range of issues.

Because the system of private property is the source of its oppression, the working class can liberate itself only by abolishing this system and replacing it with a system based on social ownership of the means of production. This new system is the only one capable of doing away permanently with *all* of the abuses and injustices of capitalism.

Since the beginning of the 20th century all the necessary material conditions have existed within the imperialist countries and on a world scale for this social revolution. But the existence of the necessary material conditions is by itself insufficient. Unlike all previous social transformations, the socialist revolution demands conscious action by

the working class and its allies. Socialism can only be achieved through the united action of millions of working men and women conscious of their social interests and the steps necessary to realise them.

### **The need for a revolutionary party**

The principal task of earlier social revolutions was to sweep away outmoded relations of production and the superstructural institutions defending those relations, thus clearing the way for the already spontaneously developing new mode of production. Because the socialist revolution seeks to substitute socially planned economic development for the existing system of exploitation of the producers, the new system cannot develop spontaneously once capitalism is abolished. It requires the conscious restructuring of social relations to eradicate the division of society into classes.

The socialist revolution is the first process of fundamental social change in human history to be carried out by the lowest social class. Unlike the capitalist class, which carried out its social revolution after it had developed considerable economic power and had accumulated a large amount of managerial experience, the working class can only realise its potential economic power and gain managerial experience after it has overthrown the old social order. Moreover, the working class confronts a class enemy with a highly centralised network of military, financial, and ideological forces at its disposal.

All of these conditions the strategy, tactics and organisation of the working class in its struggle for power.

The main weapon of the working class in its fight against capitalism is the potentially immense power of its collective action. The working class is capable of spontaneously engaging in vast struggles around immediate objectives, and of reaching the level of class consciousness necessary to create mass organisations (trade unions, broad strike committees) suitable for waging these struggles. But such spontaneous action is insufficient to create the level of political consciousness, or to achieve the unity of action, required to overthrow capitalist rule and reorganise society along socialist lines.

Under capitalism, and for a considerable time after its overthrow, the working class is marked by a heterogeneous political consciousness stemming from the diversity of conditions under which its members live and the diversity of their experience in struggle. Moreover, the capitalist class deliberately fosters divisions within the working class and in society as a whole, granting privileges to some while systematically discriminating against others.

This heterogeneity of working-class consciousness tends to decline when workers

are impelled to take united action against the capitalists. However, mass struggles inevitably ebb and flow. During periods of intense mass struggle, large numbers of people become receptive to socialist ideas. But these periods are relatively rare and short-lived. In times of relative social passivity, the working class is more easily dominated by ruling-class ideology.

For all of these reasons, the working class cannot as a whole or spontaneously acquire the political class-consciousness necessary to prepare and guide its struggle for socialism. For this, it is indispensable to develop a party uniting all who are struggling against the abuses and injustices of capitalism and who have developed a socialist consciousness and a commitment to carrying out revolutionary political activity irrespective of the conjunctural ebbs and flows of the mass movement.

### **The role & character of the revolutionary party**

A mass revolutionary socialist party is the highest expression and the irreplaceable instrument, of working-class political consciousness. The revolutionary party provides leadership to the struggles of the working class, not only for better terms for the sale of labour power but for the abolition of the social system that gives the rich control over the entire well-being of working people. The revolutionary party defends and advances the interests of the working class, not merely in relation to a given group of employers, but in its relation to all classes in capitalist society and to the state.

In the absence of such a party, the valuable experiences of groups of militant and politically conscious workers and other fighters tend to be isolated and lost. The organisation of these most conscious activists into a revolutionary party permits the centralisation and preservation of these experiences and their dissemination to broader layers.

In times of social and political passivity it is often difficult to build a mass revolutionary party, but during mass revolutionary upsurges, a small revolutionary party can grow rapidly in size and influence. By applying correct tactics in such a political crisis, the party can win mass influence and guide the workers' struggle for power to a successful conclusion.

After the overthrow of the old ruling powers, the revolutionary party is indispensable to providing leadership in the tasks of defending and constructing the new society.

A party capable of undertaking such colossal tasks cannot arise spontaneously or haphazardly. It must be built continuously, consistently and consciously. This requires the utmost consciousness in all aspects of party-building, from questions of theory and policy to details of daily work. It requires determined, systematic work aimed at

winning influence in all sectors of the mass movement, and persistent attention to recruiting new members, training them to become professional revolutionary activists.

The revolutionary party must always maintain principled opposition to the rule of the capitalist class. It must wage a consistent struggle against all forms of capitalist ideology, immunising itself against the pressure of capitalist public opinion and other alien class influences. Above all, it must constantly seek opportunities to organise the broadest masses for effective anti-capitalist political action.

This overriding aim determines the organisational character of the revolutionary party. It must function as a politically homogeneous campaign party capable of setting realistic objectives and concentrating its resources with maximum effectiveness. The purpose of its deliberations and internal discussions is to arrive at decisions for collective action and systematic work.

To achieve this homogeneity and unity in action, the party must above all be democratic. It must guarantee the right to hold and argue for different policies and proposals for action within the party, the right to recall elected leaders, and the right to vote on admission of members.

Constant and active attention to all these matters is an essential part of the foundation of an organisation that is truly democratic, and in which majority rule is understood and accepted.

On this foundation, the party can develop common bonds between its members based on their mutual confidence, experience and loyalty to each other and the socialist ideas which unite them. From this common bond flows the discipline and commitment of the members to the party.

The organisational structure of the revolutionary party should combine democratic decision-making and centralised administration of the party's work, with lower units subordinate to higher units, beginning with its highest decision-making body — the national conference of elected local delegates. In public and in action, all members should abide by the decisions of the party.

If the party is to avoid the dangers of sectarian isolation, it is necessary to maintain the closest contact with the broad masses of the working people and all the progressive social struggles of the day. Through this daily involvement with the realities of the struggle the party's ideas are constantly modified and tested, and in this process the party makes judgments about appropriate organisational forms and its role in the existing political situation.

This is a vital process since all of the conditions for the creation of a mass revolutionary socialist party do not emerge at once. Yet, even in times of relatively low levels of political struggle, a start must be made in the political and organisational

process of party-building. Relatively quiet periods can actually provide opportunities for important work to lay the basis for rapid growth in times of mass revolutionary struggle.

On the other hand, it is also important to avoid empty proclamations and exaggerations about the stage the party has reached. Such delusions can lead to organisational disasters and absurdities and a sectarian political and organisational outlook.

Ultimately, only a revolutionary socialist party that has deep roots in the working class, that is composed primarily of workers, and that enjoys the respect and confidence of the workers, can lead the oppressed and exploited masses in overthrowing the political and economic power of capital. The central aim of the Democratic Socialist Party is to build such a mass revolutionary socialist party in Australia.

### **The role of a socialist youth organisation**

It is particularly among young workers and students that the revolutionary party can expect to recruit the best militants in the struggle for socialism. While often lacking experience in struggle, young workers and students are generally free from the demoralisation of past defeats. Only the fresh enthusiasm and aggressive spirit of youth can guarantee preliminary successes in the struggle and revitalise the best elements of the older generation.

Work among young people can be most effectively carried forward by a socialist youth organisation that is in political solidarity with the revolutionary socialist party but organisationally independent of it.

The independent socialist youth organisation can attract radicalising young people who are not yet ready to join a party, but who are willing and able to participate in a broad range of political actions together with the revolutionary party and its members. It can lead actions and take initiatives in its own name among young people. It can serve as a valuable training and testing ground for potential members of the party, and make it easier for them to acquire the political and organisational experience and theoretical education required for consistent revolutionary activity. Membership of the independent youth organisation enables young socialists to decide their own policies, organise their own actions, and learn from their own experiences.

An independent socialist youth organisation also has many advantages for the revolutionary socialist party itself. It helps the party to avoid acting as a youth organisation and reducing its political maturity and theoretical understanding to the less demanding levels of an organisation agreeable to broad layers of young people.

To facilitate the winning of young people to the revolutionary movement the

Democratic Socialist Party actively supports, helps to build, and seeks the closest collaboration with Resistance, the independent socialist youth organisation that is in political solidarity with the DSP.

## **The main tasks of socialist strategy & tactics**

The strategic task of the revolutionary party is to unite and mobilise the working class and its potential allies in a struggle for power. The accomplishment of this task requires the solution of two central, interrelated, problems:

1. How to help the masses to cross the bridge from demands and forms of organisation that stem from their day-to-day struggles against capitalist exploitation and oppression to the level of political consciousness and action required to impose revolutionary socialist solutions.

2. How, in this process, to gather fresh forces and train the cadres who can build a mass revolutionary socialist party capable of leading millions of working people to victory.

Central to the solution of these problems is the party's ability to give clear and timely answers to the problems faced by the masses and, through their own experiences of struggle, draw them in the direction of a revolutionary struggle for power. In addressing this task, the following points should be borne in mind:

1. The sphere of economic struggle between workers and employers cannot alone provide the basis for the full development of working-class political consciousness. Such consciousness can only develop through activity on the entire terrain of the battlefield on which all oppressed classes and strata of capitalist society fight out their struggles with their class oppressors and with the capitalist state.

2. The working class cannot achieve genuine political class-consciousness unless it responds from a socialist viewpoint to all cases of oppression no matter what class or social group is affected. The development of genuine working-class political consciousness is not possible unless working people are politically equipped to analyse the intellectual and political life of all the social classes; unless they are able to apply in practice the historical-materialist approach to all aspects of the life and activity of all classes, strata and groups. Socialists therefore reject attempts to focus the attention, observation, and consciousness of the working class exclusively, or even mainly, upon itself and its economic struggle. The self-knowledge of the working class is indissolubly bound up with a clear theoretical and practical understanding of the relationships between all classes, strata and groups, acquired through direct political experience.

3. To fully develop the political consciousness of the working class, the socialist party must conduct propaganda in relation to every manifestation of capitalist



oppression, no matter what section of the population it affects. All struggles against oppression are capable of drawing the masses into political action and assisting the development of working-class political consciousness. However, while there is no predetermined hierarchy of issues that defines which issues struggles may spontaneously develop around, the party must prioritise propaganda and agitation around those issues that have the greatest social weight, that are central to advancing the ability of the working class to think socially and act politically.

4. The working people will reach socialist conclusions only when they are convinced by their own experience of the correctness of the party's policy. Which issues will impel the broad masses into struggle at any particular time will depend on the development of the crisis of Australian imperialism. To neglect struggles undertaken spontaneously by the working people is as mistaken as to restrict the party's activities exclusively to those matters.

5. Socialists seek to convince workers that the problems facing all of the oppressed and exploited are issues of direct concern to them, and that there can be no individual solutions to the many problems created by capitalism. The problems facing the masses can only be solved through collective anti-capitalist political action.

6. The party champions progressive demands, and supports progressive struggles, of all oppressed sections of the population, regardless of the origin and level of their action. While supporting these struggles, the party seeks also to explain the necessity of going beyond immediate demands and struggles to a generalised struggle against capitalist rule.

7. Recognising the pervasiveness of divisions in the working class fostered by capitalism, the party advocates unity based on support for the demands of the most oppressed sections of the working class. It seeks to present clear solutions to the problems faced by potential allies of the working class.

8. Socialists promote methods of struggle in which the working class, because of its numbers and economic role, is strongest. The most effective method of working-class struggle is direct mass action in the streets and workplaces against the capitalist class and its state power.

9. The party derives its demands from the objective needs of the working class and all of the oppressed, and seeks to formulate them in terms that are, as much as possible, understandable to working people at their existing level of consciousness and readiness for action. In putting forward such demands it is necessary to avoid both opportunist and sectarian errors. The former result from losing sight of the strategic objective, while the latter result from ignoring the existing level of consciousness of the broader forces the party seeks to mobilise.

10. The party raises demands and proposes actions aimed at shifting the burden of the inequities and breakdowns of the capitalist system from the working people onto the capitalists and their state, where it properly belongs.

11. In the course of mass struggles, the party advances demands that relate to the immediate problems facing working people but which challenge the power of the capitalists to control the lives of working people and the wealth they create, and which point to the need for working people to take political power into their own hands. Through the struggle for such transitional demands, the working class can develop its understanding of the need to overthrow capitalist rule and the means of doing so.

12. Socialists do not limit themselves to the necessary struggle to defend existing democratic rights, but seek to carry the struggle for democracy into all spheres of social life, in particular into the sphere of economic organisation and the process of decision-making about the living conditions of the working class.

13. In conducting its work, the party must be clear in distinguishing between strategy and tactics, and between propaganda campaigns (the dissemination of many fundamental ideas), agitational campaigns (the dissemination of a few ideas, or even one key idea) and slogans for action — and when it is appropriate to employ them. Strategy is a long-range proposition requiring propagandistic approaches. Tactics deal with immediate aims and agitation leading to action. Propaganda work is directed at the most advanced elements, with the aim of raising their general political understanding. Agitation is directed at the broad masses, with the aim of preparing them for action. Slogans for action are aimed at calling the broadest masses into immediate action, into mass struggle.

14. The party's tactical proposals must be subordinate to and aimed at advancing its strategic aim of socialist revolution. The party must choose tactics that help to raise the class consciousness of the workers and their confidence in their ability to fight and win. In determining its tactical line, the party must take into account the existing political situation, the relationship of class forces, the masses' consciousness, militancy and preparedness for action, and the influence and strength of the party itself.

15. The revolutionary character of the imperialist era flows not from the possibility of revolutionary mass action at any given moment but from the historic impasse of capitalism and the rapid fluctuations in the political situation resulting from this impasse. In the context of the capitalist system's instability, and of growing dissatisfaction among the masses, the course of the class struggle can change abruptly. Because of this, the party must avoid routinism and display the utmost creativity and flexibility in its tactics while remaining firm in its strategic orientation.

## Revolution & the struggle for reforms

The revolutionary overthrow of capitalism is the final outcome of a process of increasing working-class consciousness, self-confidence and unity in action. Propaganda and agitation alone cannot bring about the necessary transformation of mass consciousness. Direct experience of success in mass struggles is essential, and such mass struggles are most often struggles for reforms to improve the masses' immediate conditions of life.

The struggle for reforms does not automatically lead to the erroneous view that reforms alone can solve the problems facing working people under capitalism.

Reformism, including the reformism of many who regard themselves as socialists, is a result of limiting workers' struggles to demands that are compatible with the capitalist system and to relegating the struggle for socialism to the domain of abstract propaganda. This in turn leads to abstention from the fight against the influence of capitalist ideology within the working class, failure to educate the working class in the necessity to overthrow capitalism, and failure to promote mass struggles that challenge the political power of the capitalist ruling class.

Sometimes the reaction of socialists against the reformist allies of capital within the working-class movement leads to the development of ultraleftist currents, which falsely identify class treachery with the struggle for reforms, and therefore reject participation in any such struggles. Adoption of such a position would condemn the socialist party to sectarian isolation from the masses.

The ultraleftist view implies passive acceptance of deteriorating conditions of life for working people until a moment when they might suddenly and spontaneously become capable of overthrowing the capitalist system in one concerted attack. Such an attitude is utopian. It falsely assumes that working people, increasingly divided and demoralised by their inability to defend their standard of living and democratic rights, can instantaneously acquire the unity, self-confidence and political experience necessary to defeat the capitalist class.

Effective struggle for immediate reforms must be combined with defence of the long-term interests of the working class. Emphasis on the one to the exclusion of the other can lead either to opportunist or sectarian errors. Overemphasis on the struggle for immediate reforms leads to opportunist adaptation to the existing level of consciousness of the masses, that is, to capitalist ideology. Concentration on the long-term interests of the working class separated from its immediate needs leads to sectarianism, which cannot show the way to future revolutionary struggles because it is incapable of dealing with the masses' present struggles.

While supporting, and helping to lead, struggles for immediate reforms, the party rejects the reformist illusion that the fundamental problems facing the masses can be

resolved by partial solutions, including those raised in transitional demands. The fundamental problems facing working people can be resolved only through the revolutionary seizure of power and reorganisation of the economy and society along socialist lines. The party places great importance on transitional demands because they relate to the immediate problems facing the masses while being objectively linked, in the conditions for their fulfillment, to these socialist goals.

### **Forging working-class unity**

In the interests of maintaining its social domination, the capitalist class fosters divisions within the working class by granting privileges to some workers and discriminating against others. The capitalists seek to pit male workers against female workers, white workers against non-white workers, Australian-born workers against migrant workers, the old against the young. By thus dividing the working class, the capitalists create a layer of superexploited workers. This weakens the fighting strength of the working class as a whole and inflicts a higher rate of exploitation on all workers, since wage scales are built from the bottom up.

The labour bureaucracy has been a willing accomplice in the bosses' divide-and-rule strategy. Basing itself on the relatively privileged workers, it has promoted the myth that a permanent strategy of class collaboration serves these workers' material interests, and that capitalism deserves their confidence and support. At the same time, in periods of capitalist economic crisis the labour bureaucracy's class-collaborationist policy leads it to cynically denounce struggles by the relatively privileged workers as a threat to the collective interests of the trade union movement.

Because they are often well-organised and consequently more confident, the relatively privileged workers will often go into battle more readily and more confidently than workers demoralised by years of low wages, bad working conditions, and little or no unionisation. The struggles of the relatively privileged workers can in turn serve as an inspiring example for the less privileged, less confident and less organised workers. For this reason, the party opposes any strategy that seeks to subordinate the struggles of the relatively privileged workers against the bosses to the labour bureaucracy's false concept of working-class unity, that is, collective capitulation to the bosses' austerity measures.

Instead, the party's strategy is based on the spontaneous tendency of the working class to defend its immediate material interests. Our strategy seeks to lead this defence in the direction of a generalised mobilisation that challenges the capitalists' economic and political power.

Central to such an anti-capitalist strategy is the development of working-class

unity in action through defence of the interests of sections of the working class that suffer multiple discrimination — particularly women workers, migrant and non-white workers, and young workers.

Within the complex system of actions, methods, and interconnected demands required to forge working-class unity in action, the united-front tactic has particular importance. The united front provides a vehicle for mobilisation of the broadest masses in defence of their immediate interests even though broader agreement might not be possible.

While the party constantly seeks to publicise its general perspectives and policies, counterposing them to those of the supporters of capitalism, this alone is not enough to convince broad layers of working people that the party's policies are correct. Only experience in action can advance the consciousness of masses of working people. Action provides a practical test of policies and tactics. Therefore, the party does not make its proposals for establishing a united front conditional upon mass acceptance of its overall policies and general perspectives.

The party bases its united-front initiatives on the immediate needs of the masses in the objective situation. For that purpose the party advances specific demands that develop mass unity in action. The party stands for broad, militant, democratically organised, mass mobilisations in support of these demands.

To be effective, united fronts should be formed around clearly defined issues, should be founded on a democratic attitude towards discussion of the best means of pursuing the joint objective, and should involve respect for the right of all participants to continue expressing their views and to act on other questions.

Inherently, the united-front tactic involves seeking agreements with non-revolutionary political forces. Concessions in the interests of establishing and maintaining the united front should not undercut its central purpose — the mobilisation of the broadest possible forces against the policies of the capitalist class.

The united front is not an end in itself, but a means to unify and mobilise the masses, to draw them away from the influence of pro-capitalist leaders and to win them to the party's policies and revolutionary perspectives.

## **Socialists & the trade unions**

The trade unions are the basic organisational vehicles for the workers' day-to-day defence of their economic interests against the capitalist class. Through trade-union organisation, workers seek to suppress competition between themselves as sellers of labour power, and so secure a higher price for this commodity.

The formation of trade unions reflects an elementary form of working-class

consciousness — the recognition that the economic well-being of each wage-earner depends on collective action and solidarity. But in itself, this elementary form of class consciousness and organisation implies neither consciousness of the historic interests of the working class nor understanding of the need for independent political action to realise these historic interests.

A century and a half of experience has conclusively demonstrated that the unions alone, being mass organisations uniting workers with diverse levels of political consciousness, are incapable of preparing and organising the working class for revolutionary action. This task requires the building of a revolutionary socialist party.

Nevertheless, the organisation of workers into trade unions is a necessary stage on the working class's road to the socialist transformation of society. Trade unions are necessary for the day-to-day defence of the workers' interests against those of capital.

In the absence of strong trade unions, the employers win the vast majority of their daily battles over wages and working conditions, and this leads to a loss of self-confidence in the working class, undermining the foundations of consciousness and preparedness for struggle that are necessary for more radical anti-capitalist action.

Moreover, in the era of monopoly capitalism, trade-union activity cannot defend workers' economic interests by confining itself to the fight for better wages and reduction of the working day. Workers are faced with national economic problems affecting their living standard: inflation, taxation, cuts in social spending, permanent unemployment, as well as all the other social and political issues of the day, which include the destruction of the environment, attacks on democratic rights, etc.

The trade unions are driven inevitably to take positions on all these issues, and as a result they are potentially a school for the education of the working class on a range of important political questions relating to the division of national income and questions of investment at the level of the national economy. Because of these and other factors, it is important that socialists conduct systematic work in the trade unions.

The party's activity in the unions is designed to maximise their effectiveness as instruments of struggle for the defence of the immediate interests of the workers, and in the course of such struggles to win the workers to a socialist perspective. The main obstacle to this aim is the domination of the unions by a thin layer of officials who place defence of their relatively privileged positions ahead of the interests, both immediate and longer-term, of the mass of workers.

The union bureaucracy, which enjoys social privileges not available to ordinary workers, shares the socio-political outlook of the petty bourgeoisie. It values, above all, social peace and class collaboration. It objectively weakens the unions, transforming them from organisations for the defence of their members' interests into secondary

instruments of the capitalist state, charged mainly with the task of subduing and disciplining the workers. One result of this is greater susceptibility to anti-union propaganda among the less politically conscious workers.

The party seeks to strengthen the unions by promoting trade-union democracy, labour unity and class independence.

Trade-union democracy is essential to the mobilisation of the full power of the workers against the employers. At the very least, trade-union democracy involves the right of the union ranks to freely determine the union's goals and policy, and to elect and recall the union's leaders. The essential foundation of such democracy must be day-to-day involvement of the entire membership in the union's activities, particularly at workplace level.

The demand for trade-union democracy conflicts with the interests of the union bureaucracy. In its pursuit of social peace and conciliation with the employers, the bureaucracy inevitably rides roughshod over the concerns and interests of the unions' ranks. The party's propaganda and agitation concerning questions of union democracy should therefore be closely linked to the fight against the class-collaborationism of the union bureaucracy, which is the basic source of its anti-democratic methods.

Recognition of the elementary need for working-class unity is the bedrock of trade-union organisation. The party supports a number of steps to strengthen trade-union unity. These include:

- Campaigning for unionisation of unorganised workers.
- Extending solidarity to all workers in struggle.
- Breaking down narrow craft divisions and promoting democratic amalgamation into unions that embrace all workers in a given branch of industry.
- Promoting full participation in the life of the unions by specially oppressed groups of workers, such as women, migrants, the young and the unemployed. The party supports the right of these specially oppressed workers to organise their own caucuses inside the unions and to develop their specific demands. At the same time, the party opposes attempts by the union bureaucracy to isolate specially oppressed groups in powerless token organisations cut off from the regular union bodies.

While the party stands for the greatest possible degree of trade-union unity, it also recognises that the trade-union bureaucracy attempts to enforce unity around reactionary projects in the service of its class-collaborationist perspectives. Such cynical, demagogic appeals to unity must be resolutely opposed.

The trade unions cannot effectively defend their members' interests unless they are independent of the employers, capitalist parties and the capitalist state. Genuine

independence of the trade unions requires:

- Opposition to all attempts to integrate the unions into the management structures of capitalist firms under the cover of projects bearing names such as “worker participation” or “industrial democracy.” In a capitalist economy, such projects inevitably result in workers being forced to take responsibility for the profitability of the company, while holding no real power in management. Such projects divert the unions from their basic task of defending workers’ jobs, wages and working conditions. They are used to divide and confuse the workers and to weaken their class organisation in the face of the employers’ attacks.
- Opposition to the affiliation of unions to the liberal-capitalist Labor Party. The unions’ ability to defend their members’ interests is seriously weakened by these organisational links, which are used by the union bureaucracy to promote the view that the ALP is the political arm of the labour movement. This false view is in turn used to justify the subordination of workers’ struggles to the pro-capitalist policies of the ALP.
- Opposition to control of the unions by institutions of the capitalist state. The Australian union movement has long been subordinated to the capitalist state through the system of compulsory arbitration and industrial courts. This subordination has been actively supported by the reformist trade-union officialdom, which peddles the liberal illusion that these capitalist institutions are socially neutral and can be used by the workers to advance their interests. The struggle to free the unions from the control of the capitalist state is thus inseparable from the struggle against the class-collaborationism of the union bureaucracy.

While fighting for trade-union independence from the capitalist state and all capitalist parties, socialists reject the view that the unions can effectively defend the workers’ objective interests while maintaining an attitude of indifference towards politics and the question of which class holds state power.

The capitalist class has always sought to convince workers that they should concern themselves with economic questions only, and should not involve themselves in politics. The capitalists are well aware that no serious danger will threaten their rule while they manage to confine the working class within the narrow limits of economic trade unionism. Indifference to politics really means passive acceptance of capitalist politics. This is why the capitalist class encourages such indifference among workers.

The employers’ use of state power to weaken and defeat the unions’ industrial struggles eventually impels the workers to recognise the need for political action. To prevent this impulse developing in a socialist political direction, the capitalist class promotes the view that political action should be restricted to seeking legislative



reforms. This idea is readily accepted by the reformist union bureaucracy, which limits industrial action to day-to-day economic questions and confines the political struggle to parliamentary channels.

However, the unions cannot effectively defend the interests of the workers if they restrict their activities to seeking better terms for the sale of labour power to capital. They must take up all questions affecting the lives of working people. They must become active in the struggle for fundamental social change.

The return of the unions to their rightful function necessarily entails the replacement of union bureaucrats with union officials who base their activity on an anti-capitalist outlook. This task cannot be achieved without the development of class consciousness and combativity in the union ranks.

The bureaucracy's hold over the unions is based on reformist illusions fostered within the working class during the long postwar capitalist economic boom. These illusions can be overcome only in the course of developing political action. Through their own struggle, the broadest layers of the working class must reach the understanding that it is objectively impossible to achieve genuinely human conditions of life under the capitalist system.

In the course of these experiences, the party's members in the unions seek not only to introduce socialist ideas to workers participating in struggles for immediate demands, but to be the most effective leaders of these struggles. This is the only way to rid the trade unions of their bureaucratic misleaders, the only way socialists can win influence in the trade-union movement and make it an instrument in the struggle against capitalism. It is the only way they can roll back the bureaucracy's domination of the unions, replacing it with an apparatus of workplace representatives and leaving only the most essential central functions to the unions' full-time officials.

The number of party members holding official positions in the trade unions is a measure of the party's influence, but it is by no means the most important. Far more significant is the percentage of rank-and-file party activists in relation to the whole union membership, the extent of circulation of the party's press, and the number of working men and women who respond to the party's appeals for action.

Without a firm base of support among the unions' ranks, and a strong involvement of party activists in the unions, party members who hold official union positions face the danger of becoming either captives of the union bureaucracy or degenerating into mere officeholders.

Active unionists, especially those who hold official positions, are beset by innumerable pressures to turn aside from the road of class struggle. They can resist these pressures only by maintaining the closest contact with the party and by consistently

seeking to extend the party's influence among the working masses, winning them to the party's policies and socialist goals.

### **Socialist electoral tactics**

The main form of the struggle of the working class for political power is the mass mobilisation of working people in strikes, demonstrations, pickets, etc. This necessarily involves the development of new forms of organisation independent of the apparatus of the capitalist state.

Nevertheless, it is also essential to extend the influence of the revolutionary party by utilising the representative institutions of capitalist democracy, that is, its popularly elected bodies at the national, state and local level.

The party seeks to win representation in these bodies not in order to reform capitalist society, but above all to put forward its ideas in an arena that is still regarded by the mass of working people as the main political forum and vehicle for satisfying their social needs.

One of the party's central tasks in these arenas is to explain the limitations and essentially anti-democratic nature of the system of capitalist parliamentary democracy and to explain how a genuine system of popular self-government, based on social ownership of the decisive means of production, would immensely increase the real participation of the masses and their control over decisions that affect their lives.

If the party succeeds in winning representation, or even a majority, in the local representative institutions of the capitalist parliamentary state, it will seek to use these bodies as a base for mobilisation against the national and state governments. At the same time, the party will seek to use these local government bodies to carry out reforms to alleviate the sufferings of the poorest sections of the population, and will take all progressive measures possible within the framework of these institutions.

When the party conducts parliamentary electoral campaigns, its primary goal is not to maximise its representation but to develop the political awareness and self-activity of the masses and to draw all progressive organisations into mass political activity.

The party does not view its parliamentary candidates as a special layer of "experts." Rather, its candidates should be drawn from the ranks of the movement with one overriding criterion: the desire and conviction to put the needs of the working class above personal interests and ambitions.

The party's members in parliament should regard themselves as revolutionary activists who are carrying out an intervention into the enemy's camp. They should use their parliamentary position to popularise the party's policies and to help build the

anti-capitalist struggle. They must work closely under the party's direction, remaining accountable to it, or in the case of parliamentary representatives of electoral alliances, they should maintain the closest contact and remain accountable to the broader united formation as well.

In addition, the parliamentary representatives of the party, or of electoral alliances which it supports, should develop and organise forums to report to, and hear from, the broadest numbers of people within their electorate, thus encouraging the active and conscious political involvement of working people.

The party's specific electoral tactics may vary from election to election and will depend on the size and influence of the party, the state of the mass movement, the general political situation, etc. For a relatively large party, running its own candidates is the optimum approach, and this can be the most effective option even for a party that is still relatively small. However, at all stages of its development, the party's electoral tactics should encourage the development of the mass movement, the unity of working-class struggle, and the development of the party's own influence. Tactics to achieve these ends might include:

- Critical support for the candidates of one or another capitalist party as a lesser evil.
- Support and political endorsement for candidates of progressive formations when their policies offer partial solutions to the problems facing the masses.
- Non-aggression agreements with other forces in specific electorates.
- Development of electoral alliances on a platform of progressive demands.
- Agreements in regard to exchange of preferences between progressive candidates.
- Agreements in regard to joint electoral tickets in multi-candidate electorates.

It is imperative that the party attempt to improve its standing and strength through bold and innovative use of one or more of these tactics. This is particularly so in periods of comparatively limited mass activity, when the masses see the ballot box as their only or main means of redressing their grievances. This applies even today, when the monopolisation of media power has more and more leached the limited democratic content out of parliamentary elections.

Despite these obstacles, socialists cannot afford a view that rejects participation in the parliamentary arena, even if this rejection stems from justifiable disgust at the sham of parliamentary democracy.

## **Socialists & the Australian Labor Party**

The Australian Labor Party is a social-democratic, liberal-capitalist party, and as such can never be reformed into a genuine socialist party. Because it holds the allegiance of important sections of the working class, the ALP is an obstacle to the further

development of working-class consciousness, and must be replaced by a revolutionary socialist party.

Replacing the ALP with such a party is not a task for the distant future, but one that socialists must pursue at all times. The struggle to replace the ALP with a revolutionary socialist party is a complex and lengthy process requiring a variety of tactics. No single tactic can be suitable in all the circumstances that arise as shifts in capitalist society alter the balance between the capitalist class and the working class or between liberalism and conservatism within the capitalist class.

The ALP is a vital part of Australian capitalism's attempt to contain within capitalist limits the political activity of workers and other fighters for social progress. Despite the fact that most trade unions are affiliated to it, the ALP is not, as is often claimed, the political arm of the labour movement. It is one of the two main political parties of the Australian capitalist ruling class.

The ALP attracts working-class support partly because of its links with the trade-union bureaucracy and partly because its liberal-capitalist policies often seem "fairer" than those of the conservative parties. These factors enable the ALP to posture as the party of the working class.

Because the ALP has mass working-class support, currents within it sometimes reflect the anticapitalist consciousness of sections of the working class. This does not alter the fact that the leadership of the ALP is invariably dominated by political agents of the capitalist class.

In periods of capitalist crisis, progressive and even potentially socialist currents sometimes emerge within the ALP. Unless these currents break completely with the capitalist, parliamentarist politics of the ALP, they remain simply the left wing of capitalist liberalism, and an integral part of the capitalist political machinery.

A persistent source of error for left forces in the ALP is an insistence on remaining within the ALP in all circumstances. Like all political tactics, the tactic of working within the ALP must be judged according to its suitability in the political conditions of a given time. At times of mass political action or political crisis, it may be appropriate for progressive forces to remain within the ALP so as to encourage a mass break with its procapitalist leadership. At other times, it is totally wasteful for progressive or socialist forces to use up their resources in an arena controlled and dominated by reactionary, procapitalist elements.

Because it is a liberal-capitalist party, the ALP sometimes opposes projects and policies of the conservative parties, and in such circumstances it is possible and necessary for socialists to build alliances with it. Alliances are also possible with sections of the ALP that oppose anti-democratic, anti-worker projects of capitalist governments,

whether Liberal or Labor.

Like all alliances, agreements with all or part of the ALP must necessarily be precisely defined and subject to regular scrutiny and critical assessment. Because the underlying assumption of all ALP politics is the preservation of capitalism, there can be no permanent and generalised alliance between socialists and the ALP.

Too often, left forces in the trade-union movement and other spheres assume that they owe an automatic and all-embracing allegiance to the ALP because it is the liberal, rather than the conservative, party of Australian capitalism. As a result of this ill-considered attitude towards alliances, many left and progressive activists have been coopted into supporting Labor's anti-worker projects.

Socialists enter into alliances with the ALP, or with sections of it, to defend the interests of working people, to improve the strategic position of the progressive and socialist forces, and to foster motion towards deeper mass political consciousness, particularly among those sections of the masses that look to the ALP for political leadership.

Socialists reject any view that it is necessary to support the ALP in the interests of working-class unity. Political unity with the procapitalist ALP leadership is unity for reactionary ends. Sometimes, the reactionary policies of the ALP leadership provoke sections of the membership to break away in progressive directions. Socialists should support such breaks even if they weaken the ALP electorally, and even if they do not represent complete rejection of all capitalist politics.

When progressive currents break away from the ALP, they should be encouraged in every way to adopt socialist politics, but even should they fail to do this it is important to encourage them to go through further experiences leading towards socialist conclusions. This is best done by encouraging resolute struggle in support of progressive issues, particularly those that led to the initial break with the ALP leadership.

The party also rejects any view that it, or other working-class activists, should automatically recommend a vote for the ALP. But in circumstances in which voters are offered only a choice between a liberal-capitalist ALP government and a government of the conservative parties, socialists recommend a vote for the ALP. There are a number of reasons for this:

- Whether their daily lives are to be governed by a liberal or a conservative capitalist government is not a matter of indifference to most working people. The ALP usually governs less repressively than the conservatives, and more readily grants economic and social concessions. Because of this, most working people usually do not consider abstention a serious option in parliamentary elections.
- Having the ALP in government is essential to the process of destroying widely held

illusions that the ALP is a working-class or progressive party. In office, the ALP forms capitalist governments, which can be clearly seen carrying out reactionary, anti-worker policies.

When the question of government is at stake, as in general elections, socialists should recommend that their preferences flow to the ALP in order to help prevent the election of the conservatives. However, if the question of government is not at stake, as in the case of a by-election, socialists might not necessarily recommend that preferences should flow to any of the capitalist parties.

### **Mobilisation of the allies of the working class**

While the working class is the only force with the social power to overthrow capitalist rule, even in a country like Australia where the working class comprises the vast majority of the population, it cannot succeed in abolishing capitalism and beginning the socialist reconstruction of society without support from its allies in intermediate classes. At the same time, these allies — the traditional petty bourgeoisie and self-employed or salaried professionals and technicians — share an objective interest with the working class in breaking the domination of monopoly capital.

The composition and character of the middle classes have undergone significant changes as the structure and composition of the working class itself has changed. But these changes in no way reduce the importance of forging an alliance with them. Unless the workers' movement can demonstrate to broad layers of the middle classes that it can offer a solution to the problems monopoly capitalism imposes on them, they will tend to come under the influence of demagogic representatives of big capital who will seek to mobilise them against the working class.

The mobilisation of the middle-class allies of the working class in Australia poses problems far different from those in countries where the working class is a minority and is surrounded by large numbers of petty-bourgeois producers, including a massive peasantry.

The traditional middle-class allies of the working class have primarily been small independent producers and proprietors — working farmers, small shopkeepers and artisans. However, changes in the structure of industry, agriculture and the labour force through the growth and further monopolisation of Australian capital since the Second World War have radically reduced the social weight of these classical petty-bourgeois layers.

Nevertheless, the importance of these traditional petty-bourgeois strata is greater than their numbers would indicate. The products and services provided by these small proprietors make an important contribution to the standard of living of the working

class. Working farmers in particular supply food, fibres and other agricultural products essential to the well-being of the entire population.

While the monopolisation of Australian capital has reduced the relative weight of the petty bourgeoisie, it has not eliminated it. In fact, monopolisation continually generates a strata of small proprietors who fill small but important gaps in the system of production, distribution and provision of services. Some sectors of the petty bourgeoisie — those offering specialised services and technical skills — even increase in significance relative to the population as a whole and relative to their own previous position.

The modern petty bourgeoisie is a highly variegated social class, hybrid between capital and wage labour. Within it are those who have accumulated enough capital to begin to hire others to work alongside themselves and who are thus on the verge of becoming fully-fledged capitalists. But as well, there are those (like independent owner-drivers) who simply own their own tools (even if they are expensive tools), hire no labour, and with each downturn of the capitalist business cycle find themselves thrown back into the ranks of the working class. The deepening capitalist economic crisis also generates a layer of semi-proletarians — small producers forced to supplement the meager income provided by their own business by selling their labour power to an employer.

The working class and the independent petty proprietors form the two exploited classes within capitalist society. Big capital exploits the latter through bank loans and state taxes, and through monopoly pricing arrangements. The monopolies extract surplus value from independent producers like small farmers by forcing them to sell their produce at low prices and to buy the raw materials and producer goods they need (seed, fertiliser, farm machinery, etc.) at high prices.

In addition to new groups of small proprietors, monopoly capitalism has created a spectrum of professionals, technicians and other salaried occupations — the so-called new middle class.

At one end of this spectrum are sizable numbers of teachers, low-paid technicians, and other employees on small salaries. The ruling class does its utmost to create the illusion that these people belong to the middle classes. However, the levels of income, social status, and conditions of work of most of these salaried employees are increasingly similar to those of “blue-collar” industrial workers. Thus, the distinction between a teacher, a lower salaried technician or a bank clerk, and a manual worker on an assembly line is increasingly a distinction within the working class itself between skilled, semiskilled, and unskilled workers. Most of these salaried employees have no perspective of ever being able to make a living other than by selling their labour power

and are thus part of the working class.

At the other end of the spectrum of professionals and technicians are the self-employed or highly paid lawyers, journalists, accountants, university professors, doctors, engineers, scientists, etc. The remuneration they receive is often sufficient for them to make sizable investments. This layer as a whole tends to consciously identify with the employing class, its political command, and its ideology. However, even these professionals, especially the younger ones, can move in an anticapitalist direction under the hammer blows of the growing social crisis of monopoly capitalism.

In seeking allies among intermediate layers, the workers' movement must distinguish between salaried employees required to maintain capitalist *relations of production*, and those needed to maintain and expand the *forces of production*. Among the former are those whose function is to maintain or increase the rate of exploitation (for example, managerial personnel, supervisors, time and motion experts) and those whose role is related to the state's repressive apparatus (for example, police, prison guards, certain social workers). Among the latter are scientific and technical researchers, engineers, draughtsmen, statisticians, etc. Historical experience has shown that while the vast majority of the former group remain enemies of the workers' movement, many of the latter can be attracted to the socialist cause.

Occupying an intermediate position between wage labour and capital, the middle classes vacillate between the two decisive social classes and have no independent social perspective or program for society as a whole. In critical situations they tend to throw their support behind one of the decisive social classes. It would therefore be fatal for the working class to attempt to forge an alliance with the middle classes by abandoning its own program and accepting some specious "middle-class program" that respects capitalist political and economic power.

Such an orientation would divide the working class, the main force for progressive social change. It would pit its most class-conscious and combative elements, increasingly won to the perspective of socialism, against its backward elements, still under the sway of capitalist ideology. It would demoralise workers struggling against flagrant exploitation or abuse of their rights by the exploiter section of the middle classes.

Moreover, such an orientation would not help to cement an alliance between the working class and the middle classes. The problems confronting the oppressed and exploited sections of the middle classes are generated by the deepening crisis of monopoly capitalism. As these problems grow worse the middle classes will look for radical answers to their problems, breaking from the ideological hold of the traditional capitalist parties. An alliance policy that does not challenge monopoly capitalism will inevitably fail to provide cogent answers to their problems, leading radicalised sections



of the middle classes to turn away from the working class toward ultraright or fascist political forces.

The working class can forge an alliance with the middle classes, particularly their lower, exploited and oppressed layers, only by demonstrating that it has clear answers to their problems and the workers have the power and will to implement them.

The small independent producers — many of whom face expropriation by big capital — must be convinced that the socialist aim of expropriating capital does not threaten their property. It is necessary to prove to these layers that there is no antagonism between, on the one hand, workers' control of production, the abolition of commercial and banking secrets, the nationalisation of the banks, freight companies, agribusiness and industrial monopolies, a state monopoly of foreign trade and, on the other hand, reduced freight charges, lower prices for industrial products (fertiliser, machinery, consumer goods), cancellation of debts and provision of cheap credit terms, and which can also stimulate the voluntary formation of cooperatives.

A series of working-class demands can meet the most pressing needs of these layers: introduction of fair taxation, radical improvement of the social security system, and development of the social infrastructure (housing, hospitals, schools, childcare facilities, etc.).

The determination of the workers' movement to respond positively to crucial social problems, such as the destruction of the environment and the threat of nuclear war, and to fight for the political, social and economic rights of the specially oppressed sections of the population can draw broad layers of the middle classes to the side of the workers.

By supporting the progressive demands and struggles of the middle classes and linking these struggles with those of the working class, the socialist movement can forge a broad alliance between them, mobilising and unifying the labouring masses in action against the political and economic power of monopoly capital.

## **Self-organisation of the masses & the struggle for power**

United action by the workers and their allies is most effective when their alliance is founded on democratically elected local committees committed to the systematic promotion of mass anti-capitalist action.

As the class struggle sharpens and the working people take the initiative to impose their own solutions to problems created by capitalism, experiments in self-organisation multiply in the workplaces and localities. Along with this, there are more and more examples of workers' control going beyond the framework of individual workplaces. In order to coordinate their actions, the working people will need to elect representatives

from their workplaces and neighbourhoods to city-wide councils of working people's delegates.

The development of such councils and the broadening of their sphere of action poses a direct challenge to the authority of capitalist rule. The development of workers' control can reduce this authority in fields such as communications, public transportation, banking, and industrial enterprises.

This weakening of the authority of capitalist rule can reach into the armed forces as well. Under the impact of mass mobilisations, antimilitarist work inside the capitalist army, and the struggle for the democratic rights of soldiers, rank-and-file military committees can be encouraged inside the army, posing a major challenge to the functioning of the military apparatus and making it possible to win the soldiers to the side of the insurgent masses.

As the conflict between the major classes sharpens, the capitalist rulers will almost certainly resort to legal and extra-legal forms of violence against the workers and their allies. For this reason, the working people must be prepared to defend their activities, organisations, headquarters and press against such violence through the formation of broadly-based self-defence squads.

The generalisation, coordination and centralisation of the councils of working people's delegates will increasingly challenge the legitimacy of the institutions of capitalist democracy. The capitalist class and its labour lieutenants will seek to discredit any forms of popular power by maintaining that the parliamentary institutions of the capitalist state are the only legitimate organs of democracy. To clear the way for the overturn of the state power of the capitalist rulers and the establishment of the state power of the working class the masses must first understand the real role of the capitalists' parliamentary institutions. Practical experience of mass struggles and mobilisation, in which they can test the limits that these capitalist institutions impose on their freedom of action, will demonstrate to working people the superiority of their own independent bodies of democratic self-organisation.

The disintegration of the capitalist state apparatus under the impact of the growing counter-power of the working people's councils will lead inevitably to a showdown between the masses and the capitalist regime. The resolution of that confrontation in favour of the working class and its allies depends on the development of the following basic conditions:

1. The impasse of capitalist rule and the resulting confusion within the capitalist ruling class and the leading personnel of its state machine.
2. The sharp dissatisfaction and desire for radical change in the ranks of the middle classes, without whose support the capitalist regime cannot maintain itself.

3. The consciousness of the intolerable situation and the readiness for action in the ranks of the working class.

4. The existence of a revolutionary party that enjoys the confidence of the broad masses and is capable of offering clear and decisive leadership.

Once a certain threshold in these conditions has been reached, the workers and their allies will be in a position to topple the capitalist government and replace it with a government of their own. The creation of a working people's government, based on democratically elected councils of working people's delegates, will open the road to the socialist reconstruction of society. ■

# **Part IV. Socialist Solutions to the Crisis of Capitalism**

The ability of socialists to provide clear answers to the problems facing working people will be decisive in mobilising the forces necessary to overturn capitalism. The precise combination of demands chosen by socialists at any time will depend on the stage of the capitalist crisis and the level of the struggle of the workers and their allies. While no exhaustive list of demands can be presented here, it is necessary to indicate the main themes and approaches of the socialist solution to the crisis of capitalism.

## **Section 1. Defending & Extending Democratic & Human Rights**

In some parts of the capitalist world, including Australia, the struggles of working people have secured many democratic rights. In some cases these rights have been established for so long that most people regard them as automatic and unchallengeable entitlements of citizenship.

Yet, as the capitalist system sinks deeper into crisis it is driven inevitably to curtail and suppress civil liberties in order to limit resistance to its austerity drive. The socialist movement opposes every attempt to encroach on the democratic rights of working people and stands for the greatest unity in struggle to preserve and extend these rights.

The new social movements engendered by the deepening crisis of capitalism reflect a determination to extend and redefine basic rights — the right to peace, to a pollution-free environment, to action to correct inequalities resulting from discrimination based

on race, national origin, age, sex or sexual preference. The concept of inalienable human rights has motivated all the progressive social movements over the past two decades — struggles by women, migrants, Aborigines, students, gay men and lesbians, the aged, the handicapped, prisoners, etc.

Working people have everything to gain from taking the offensive whenever possible to secure legal recognition of the human rights of all who suffer oppression and discrimination under capitalism. Every such gain reinforces the fighting strength and unity of the working class as a whole. In the course of struggles for such rights, they will come to realise that capitalist rule and the private-property system stand in the way of the full realisation of human rights.

### **Defence of trade-union rights & civil liberties**

Successful attacks on the rights of the workers ultimately threaten the existence of all democratic rights. For this reason, it is vitally important to fiercely defend all the rights of organisation, expression and assembly won by the working class.

In a society based on the exploitation of wage labour, the most basic right is that of workers to withdraw their labour. Workers must oppose all attempts to restrict their freedom to strike, whether these attempts take the form of legislation or agreements negotiated by the union bureaucracy with the capitalist state. It is necessary to struggle against no-extra-claims provisions, compulsion to provide prior notifications of strikes, compulsory arbitration, fines and lawsuits against unions, strike ballots imposed by the capitalist state, restrictions on the right to organise pickets, etc.

Vigorous defence of civil liberties is also of the highest importance. Freedom of speech, the press, assembly, and association, and the right to privacy, are essential to the ability of workers and other progressive fighters to organise and struggle against the capitalist class. It is in the interests of all workers and progressive activists to demand the removal of all laws curtailing the exercise of these rights; to oppose all attempts by capitalist governments to censor information and opinion; and to fight for the dissolution of ASIO and other political police agencies, which are used by the capitalist rulers to spy on, harass, and disrupt the struggles and organisations of workers and their allies.

Civil liberties are essential to the political independence of all working-class and progressive organisations, as well as to the defence of other democratic rights won through decades of struggle within the framework of capitalist parliamentary

democracy.

## **Parliamentary versus genuine democracy**

While fighting for one or another democratic right, socialists reject attempts to identify democratic rights with the parliamentary institutions of the capitalist state. Even the most advanced capitalist parliamentary systems offer no long-term guarantee of basic democratic rights. Indeed, the capitalist parliamentary system is inherently undemocratic because it excludes the majority, the working people, from the actual exercise of political power.

The party fights for the replacement of the capitalist parliamentary state with a more democratic political system — a democratically centralised system of popular power. In a truly democratic state, the supreme power should be vested in a single popular assembly made up of representatives of councils of working people's delegates from each city, town and rural district, functioning as both legislative and executive bodies. Elections to local self-government bodies and to the national assembly should be based on proportional representation.

All officials — civil, military and judicial — should be subject to election. All elected representatives and officials, without exception, should be subject to recall at any time upon the demand of a majority of their electors and should be paid at a rate not exceeding the average wage of a skilled worker.

The standing army and police, with their pro-capitalist officer corps, should be replaced by a popular militia indissolubly linked to the factories, mines, offices, farms and progressive mass movements, with commanders drawn from the ranks of the working people.

It is only through these measures that a genuinely democratic state, that is, one in which the majority actually rules, can be brought into being and maintained.

## **Economic democracy**

As long as working people do not exercise power over economic decisions and their working lives, democracy will be severely curtailed. The fight to extend democracy into the economy necessitates finding ways and means for working people themselves to make the fundamental decisions that affect their lives. It means establishing a coordinated network of democratically elected committees through which workers and their allies can work out and impose their own solutions to economic and social problems, both in the workplace and in society as a whole.

It is likely that even the first steps along this road will meet stiff resistance from the capitalists and violent repression from their state machine. The struggle to extend

democracy into the economy cannot be separated from the struggle to break the political power of the capitalist class. Repeated experience has shown that the despotic power of the capitalists over workers at the enterprise level cannot be overcome while the capitalists' state power remains intact. Similarly, the subordination of the needs of working people to the anarchic drive for private profit at the level of the capitalist economy as a whole cannot be surmounted without the conquest of state power by the working class and its allies.

The defence and extension of the democratic rights of working people and of all the oppressed thus inevitably poses the need for a struggle to replace capitalist domination in all its forms with socialist democracy.

### **For the liberation of women**

The oppression of women is integral to capitalist society, as it has been to all class societies since the break-up of the primitive commune.

The oppression of women is institutionalised in the family system. In class society, the family is the only institution to which most people can turn for the satisfaction of some basic human needs, including love and companionship. However poorly the family may meet these needs for many, there is no real alternative as long as class society exists.

Nevertheless, the main purpose of the family is not to provide such basic needs. The family is not simply a group of adults voluntarily living in a common household, along with their children. It is the primary socio-economic unit of class society, based on a legal and binding marriage contract that enables the transmission of private property and the perpetuation of class divisions from one generation to the next. It is the basic mechanism through which the exploiter classes abrogate social responsibility for the economic well-being of those whose labour they exploit.

As an economic unit, each family is responsible for the economic needs of its members. Under the family system there is no concept that society as a whole should provide all of its members with a secure and comfortable standard of living. As a result, people are compelled to stay together in individual households.

The family system imposes a social division of labour based on the subjugation of women and their economic dependence on an individual man, their father or husband. Upon this material foundation, an all-pervasive sexist ideology is fostered by the exploiter classes. This portrays women as physically and mentally inferior to men, and biologically unfit for roles other than procreation and domestic labour. The low status of women in class society becomes the source of anti-woman violence — rape, wife-bashing and female infanticide.

While some aspects of this oppressive system have been challenged in recent years, and some individuals have been able to reduce the degree of their oppression, the system as a whole still remains effectively intact.

There is no other institution in class society whose true role is as hidden by prejudice and mystification as that of the family. Bourgeois moralists claim that the family is the basis for the natural and moral unity of society. Bourgeois anthropologists perpetrate the myth that the family unit has always existed. They deny the fact that the family originated with and flowed from the development of private property, class society and the state. They obscure the fact that in pre-class society the basic social unit was the clan and that within each clan wealth was shared in common.

However, with the development of a permanent economic surplus and the appropriation of this surplus by private individuals, pairing couples began to separate themselves from the clan and set up separate households. Women became isolated from communal activity, and monogamy for married women was strictly enforced to assure the paternity of heirs.

The family and the subjugation of women thus came into existence along with the other institutions of emerging class society in order to buttress nascent class divisions and perpetuate the private accumulation of wealth. The state, with its armies and police, laws and courts, enforced this relationship.

The origin of the family system in private property is reflected in the Latin origins of the word family: *famulus*, which means household slave, and *familia*, the totality of slaves belonging to one man.

Over millennia, the structure and functions of the family institution have of course varied between different societies and between different classes within the same society. But the essential function has always remained the same. Like the state, the family is a repressive institution designed to perpetuate the unequal distribution of wealth and the division of society into exploiter and exploited classes.

It is absurd to speak of abolishing the family. Socialists seeks to remove the economic and social compulsion that drives the vast majority into the family system at the present time, and to give individuals a far wider and freer range of choices as to how they live. Nevertheless, the socialist revolution will inherit many of the institutions of the old society, including the family. The role of the family as an economic unit will only wither away as society as a whole takes increasing responsibility for people's material needs.

Just as the family system is indispensable to class society, so the oppression of women is indispensable to the maintenance of the family system. With the rise of the family system, married women ceased to have a direct role in social production. They



were confined to domestic work within the individual family unit, being economically dependent upon their husband. This economic dependence determined the second-class social status of women, on which the cohesiveness and continuity of the family system has always depended. Women were relegated to domestic servitude and second-class status in society not because it served the interests of men in general, but because it served the needs of those men who owned property.

Capitalism has refined and modified the oppression of women to suit its own needs. For capitalism, the oppression of women has a number of vital economic benefits:

- Through the family system, most women are cast in the role of unpaid domestic workers charged with caring for other family members, thus saving the capitalist class the expense of paying for the upbringing of the next generation of workers and for part of the maintenance of the current generation.
- Sexism is one of the main ideological tools by which the capitalist class keeps the working class divided, weakening its ability to take united action in defence of its class interests.
- Widespread acceptance of the sexist idea that women's place is in the home enables the capitalists to justify the superexploitation of their labour, to depress the price of labour power by maintaining a large reserve of unused labour-power, and to reduce the social costs and consequences of maintaining a large section of the population only periodically drawn into social production.

At the same time, capitalism undermines the family system within the working class. Among workers, the family unit ceases to be the unit of production that it was in pre-capitalist society, though it remains the basic unit through which consumption and the reproduction of labour power are organised. Each member of the family sells his or her labour power individually on the labour market. Capitalism dissolves the main economic bond that previously held the family of the labouring classes together — the fact that they had to work together as a family unit in order to survive.

Before capitalist industrialisation, women had few rights and almost no identity or life outside their functions within the family. The rise of industrial capitalism began to end this domestic isolation by giving women an independent productive role outside the home. Brutal and exploitative as this work was, large numbers of women began to achieve some degree of economic independence for the first time since the rise of class society.

The involvement of large numbers of women in industry generates a contradiction between the increasing economic independence of women and their domestic subjugation within the family unit, propelling women to fight against their oppression

and the ideology that props it up.

The oppression of women as a sex constitutes the objective basis for the mobilisation of women in struggle through their own organisations. The party supports the construction of a mass women's liberation movement organised and led by women, and whose first priority is the fight to win and defend women's rights. Such a movement must refuse to subordinate the struggle for women's rights to any other interests, and must be willing to carry through the struggle by whatever means and with whatever forces may prove necessary.

Like all other progressive movements, such an independent women's liberation movement will not be able to win its struggle alone. Only by fusing the objectives and demands of the women's liberation movement with the struggle of the working class and other progressive movements will the necessary forces be assembled to achieve the liberation of women.

While all women are oppressed as a sex, the effects of this oppression are different for women of different social classes. Women workers experience sexist oppression in its most acute forms and, unlike women of the propertied classes, have no interest in the maintenance of the ultimate source of that oppression — the private-property system. If the women's liberation movement is to carry through its struggle with the necessary resolution, it must take up the demands of working-class women and involve them in the leadership of the movement.

The struggle for women's liberation poses the problem of the total reorganisation of society from its smallest repressive unit — the family — to its largest — the state. The liberation of women demands a thoroughgoing restructuring of society's productive and reproductive institutions in order to maximise social welfare and establish a truly human existence for all. Without the socialist revolution, women will not be able to establish the material preconditions for their liberation. Without the conscious and equal participation of broad masses of women, the working class will not be able to carry through the socialist revolution and build socialism.

The party seeks to convince the working class of the centrality of the struggle for women's rights to its own struggle for social liberation. The party seeks to give clear and concrete answers to the questions raised by capitalism's oppression of women, and to help the women's liberation movement to establish clear political goals.

The party raises demands directed towards eliminating the specific oppression of women and against the capitalist class and its social and political institutions, which are responsible for the economic and social conditions in which the oppression of women is based. These demands can be summarised under the following broad headings:

1. *The right of women to control their own bodies.* It must be the sole right of each

woman to decide whether or not to prevent or terminate a pregnancy. All anti-abortion laws should be repealed. Abortion should be available on demand and the cost should be fully covered by the health-care system. Safe, reliable contraceptives for both women and men should be freely available to anyone wanting them. State-financed birth control and sex education centres should be set up in schools, neighbourhoods, hospitals and large workplaces. The right to reproductive freedom includes the right of a woman to bear children if she chooses. Sterilisation without a woman's consent, or the use of pressure to obtain her consent, should be outlawed.

2. *The right of women to economic independence and equality.* This includes the right to full-time employment, equal pay, access to non-traditional occupations, and the raising of wages in traditional female occupations to make them comparable with those of traditional male occupations requiring similar levels of skill. Part-time workers should be guaranteed the same hourly wages and benefits as full-time workers. The party also supports paid parental leave, continuity of job seniority during parental leave, equal access to unemployment benefits regardless of marital status, and an end to discrimination against women in training and retraining programs. Beneficial protective legislation providing special working conditions to women should be extended to men in order to improve working conditions for all workers and to prevent such measures providing a pretext for discrimination against women.

Affirmative-action programs, with legally enforced quotas, are essential to redress the effects of decades of systematic discrimination in hiring, training and promotion. To overcome existing imbalances, preferential treatment must be accorded to women in hiring, training, job upgrading and seniority adjustments.

Cheap and conveniently available childcare services are essential to enable women to participate equally in the workforce. A program is urgently needed to create a network of free, government-financed, childcare centres in every neighborhood and at large workplaces. Such centres should be open around the clock and be able to cater for all children from infancy to early adolescence. The rearing, welfare, and education of children should be the joint responsibility of society, rather than solely the burden of individual parents. Laws granting parents property rights and total control over children should be abolished.

Women will not be able to enjoy genuine economic equality with men as long as they are forced to bear the main burden of domestic work. This is a socially created problem that demands a social solution. This would include the socialisation of domestic services through the creation of a network of easily accessible, low-cost, high-quality public laundries, cafeterias and restaurants, house-cleaning services organised on an industrial basis, etc.

3. *The right of women to equal educational opportunities.* The present education system discriminates against women at all levels from preschool to postgraduate. There must be an end to sex stereotyping in educational textbooks, an end to channelling of students into supposedly male and female subjects, and to all forms of pressure on female students to prepare themselves for so-called women's work (homemaking, nursing, teaching and secretarial work).

Special preferential admissions programs should be introduced to encourage women to enter traditionally male-dominated fields of study and employment.

4. *The right of women to freedom from sexual violence and exploitation.* Sexist violence is a daily reality that all women experience in some form. Even when this does not take the extreme form of rape, beatings and murder, there is the ever-present threat of sexual assault implicit in the widespread circulation of sexist literature and in gratuitous sexual comments and gestures in the streets and on the job. As the capitalist social order decays, this violence becomes more pronounced. The capitalist mass media and capitalist advertising create a social climate that fosters sexual violence and harassment by portraying women as sex objects.

A massive education campaign is needed to counter this debased view of women. Such a campaign should be promoted by the government in collaboration with the women's movement. Laws against sexual harassment of women should be strengthened and strictly enforced.

Increasing incidences of rape, wife-bashing and sexual assault on children reveal the need for a massive increase in the provision of facilities for the victims of such abuse. Such facilities must be independent of the courts and the police, both of which see their role as to enforce the status quo.

All laws that require corroboration of sexual assault or evidence of physical injury, or which imply blame on the part of female rape victims, should be repealed. Questioning of sexual assault victims about their past sexual activity should be prohibited.

Prostitutes should not be treated as criminals. All laws victimising prostitutes should be repealed.

## **Against the suppression of human sexuality**

Class society distorts all human relationships by transforming social interaction into relationships between property owners. This applies not only to human cooperation for production, but to the entire social superstructure as well. A neighbor is no longer someone near, a member of the community, but the owner of adjacent land. Children become primarily heirs and property. Women are reduced to the status of breeding

machines and domestic slaves.

By generalising commodity production, capitalism carried this process to its ultimate conclusion, transforming all human relations into commodity relations. As a result, capitalism stripped away the hypocritical religious halo that surrounded family relations under feudalism. Marriage was revealed to be primarily a property relationship and only secondarily a loving and affectionate relationship.

Having ripped away the family's sentimental veil, however, the capitalist class soon found it prudent to restore at least a figleaf to cover the nakedness of the mere money relation. The more far-sighted of the capitalists began to realise that the wholesale conscription of women and children into the factories during the Industrial Revolution threatened to wipe out the family system within the working class, together with a large part of the next generation of wage-slaves. This prospect forcefully reminded them of the direct economic benefit of the family to the ruling class as a whole. Under the pressure of this realisation and of the rising working-class movement, hours of wage labour for women were restricted, and the exploitation of child labour was restricted and eventually more-or-less abolished.

The capitalist class has a contradictory relationship with the modern nuclear family. On the one hand, it derives enormous economic benefit from it. The family provides free of charge, primarily through women's unpaid labour, the next generation of workers, care of the aged and sick, the care and feeding of the present generation of workers, etc. Moreover, the family remains one of the primary institutions for instilling conservative values in the young.

On the other hand, the capitalist class cannot help constantly undermining this institution. The ups and downs of the economic cycle, as well as events such as war, force them alternately to weaken and strengthen the family by drawing women into social production and pushing them out again.

It might appear that a society which regulates heterosexual behavior in order to ensure the paternity of children would not necessarily go on to proscribe homosexual behavior. However, few, if any, societies long justify social institutions solely in terms of their real function. Except in periods of deep social crisis, most social institutions are maintained not by brute force on the part of the ruling class, but by ideological means. Institutions are deemed to be natural, god-given, necessary to ward off some natural or supernatural evil, etc. No social institution has been so subject to such ideological mystification as the family.

It is only a small step from regulating sexual behavior in order to ensure the paternity of children to asserting that procreation is the sole permissible reason for sexual relations. Indeed, this assertion has remained a cornerstone of the ideological

justification of women's oppression to the present day.

The existence of homosexuality stands in contradiction to the ideological defence of the family and women's oppression. As such, many of the defenders of early class society branded it unnatural, contrary to the commandments of their deity, etc.

The oppression and persecution of homosexuals thus arose as a by-product of the oppression of women, as a result of the need to portray the family system as "natural" and inevitable. Of course, the precise connection between female and homosexual oppression has varied between different societies and at different times, as well as with the importance of the family, its economic function, and the presence or lack of a political/ideological challenge to it. Moreover, the ideological justification for persecution of homosexuals is capable of developing further according to its own dynamic.

But there is an important difference between the relationships of heterosexual women and gay men/lesbians to the family system. Whereas ruling class economic needs cause it frequently to modify the projected image of the supposedly ideal woman, the same is not true concerning homosexuals. The capitalist class has no economic motive to change the image of lesbians or gay men — a closet homosexual can be exploited as easily as an open homosexual — while on the ideological plane continued homophobic prejudice provides an element of stability, a second line of defence for the family even in periods when the capitalists are deliberately bringing more women into social production.

The forms of oppression of gay men and lesbians are thus fairly constant in capitalist society. Changes in the general attitude towards homosexuality are not the direct product of capitalist economic interests but of changes in the level of working-class militancy, the efforts of gay men and lesbians themselves, and similar political factors. It is thus not surprising that the struggle for homosexual rights has made its greatest progress at times when other oppressed layers have also been in motion, and has declined in periods of reaction.

The party stands for complete non-interference of the state and society in sexual matters, so long as nobody is injured or coerced. This general principle means that all sexual relations between women or between men should be treated in exactly the same way as sexual relations between men and women, and this should be reflected in law in regard to marriages and to defacto relationships. Sexual preference should be recognised as a matter of individual choice, a basic democratic right.

The party demands the repeal of all anti-homosexual laws, the outlawing of discrimination against lesbians and gay men in employment, housing, and child custody and an end to police harassment on the streets, in bars, etc. The party supports the building of an independent movement campaigning for the recognition of the full

democratic rights of gay men and lesbians. In addition, sex education for young people and the broader community should stress the variety of non-coercive sexual relations that exists, without moral judgment.

As well as oppressing heterosexual women, gay men and lesbians, class society suppresses the sexuality of young people. Through the family system, it moulds the behavior and character of children from infancy through adolescence. It trains, disciplines and polices them, teaching submission to established authority, and curbing rebellious, nonconformist impulses. It represses and distorts all sexuality, attempting to force it into socially acceptable channels of heterosexual activity for reproductive purposes, and approved socio-economic roles. It distorts all personal relationships by imposing on them a framework of economic compulsion, personal dependence and sexual repression.

At the same time, the disintegration of the family under capitalism brings with it much misery and suffering because no superior framework for personal relations can yet emerge. While advocating measures to socialise the economic functions presently carried out by the family, the party supports laws and the provision of services that seek to alleviate the suffering caused by the family system and its disintegration in capitalist society. The party favors sex education classes for young people, freely available and safe contraceptives, halfway houses for young people and women trying to leave impossible family situations, and counseling and self-help services to aid people in this central aspect of their lives.

## **Against racial & ethnic discrimination**

Racism, the view that those with white skins are superior to those with non-white skins, has been integral to the ideology of the Australian capitalist class. It provided a justification for the brutal dispossession of the Aborigines and the superexploitation of the non-white peoples of Asia and the Pacific.

Racism was used by the Australian ruling class to divide the working class and to brand Chinese and South Pacific immigrant labourers as pariahs. By fostering racist attitudes among the overwhelmingly white working class, the bosses were able to promote the idea that the threat to these workers' jobs and wages came not from the employers but from foreign, particularly non-white, workers. The bosses' success in promoting racist and xenophobic attitudes among Australian workers was reflected in the labour movement's support for the notorious White Australia policy.

The massive influx of non-English-speaking migrant workers from southern Europe following the Second World War was encouraged by the Australian ruling class in order to provide a cheap, unskilled, labour force for its expanding industrial

base. The pro-British cultural xenophobia underlying Australian nationalism was used by the capitalists to justify discrimination on the basis of ethnic background. The capitalists and their governments refused to recognise qualifications obtained by migrant workers in their home countries, forcing them to accept low-paying, unskilled jobs. Migrants were denied proper English language courses so as to limit their ability to unite in action with Australian-born workers.

Today, migrant workers from non-English-speaking ethnic backgrounds form a large and increasing component of the working class and it is essential that they be encouraged to participate fully in trade-union and political life. The inability to speak and write in English is a major factor limiting full participation of many in the economic and political struggles of the working class. Most migrant workers do not have the opportunity to learn English because their physically demanding jobs and family concerns leave little time or energy for English courses. Non-English-speaking migrants should be granted paid leave to attend such courses, which should be provided free of charge by the state during working hours. Widespread and easily accessible translation services should also be provided.

Large-scale immigration from non-English-speaking countries has enriched Australia's cultural life. The Australian ruling class has been forced to abandon its previous policy of seeking to assimilate non-British immigrants by imposing the British-based Australian national culture upon them, and instead has adopted a policy of multiculturalism — though sections of it would like to return to the old policy.

Insofar as the policy of multiculturalism reflects greater respect for the right of ethnic communities to maintain their cultural traditions, the party supports it. The free interaction of different cultural traditions helps to break down narrow national-cultural exclusiveness. At the same time, the party does not support the promotion of any particular national culture, and opposes those elements in every national culture that contradict democratic rights and humanistic values.

Within the education system there should be no segregation along ethnic lines. The party stands for a single, ethnically mixed, system of public education in which students from different ethnic backgrounds have access to supplementary courses on the language, history and culture of any nationality of their choosing.

Today, as the capitalist economic crisis deepens, right-wing forces are attempting to make immigrants into scapegoats, to divide the working class by promoting racial and ethnic animosities, and to restrict immigration by non-white and poor people. At the same time, such right-wing forces do not oppose all immigration. They support increased immigration of white racists from South Africa and of wealthy Asians. It is well known that migrants to Australia are often screened to prevent militant unionists



and left-wing political activists settling in this country. The party opposes any discrimination in the field of immigration, whether it be based on racial or national origin, political affiliation, personal wealth, or any other criterion. Australia should open its doors to all who wish to immigrate, and should impose no restriction on those wishing to emigrate.

The party does not seek to organise the economic and political struggle of workers along ethnic lines. It seeks to convince all workers that their interests are the same, and that they can defend those interests only by uniting for a common economic and political struggle against the common enemy, the capitalist class.

### **Full equality for Aborigines**

The forcible expropriation of their tribal lands, destruction of their tribal economies and social organisation, suppression of their tribal languages and cultures, and denial of their most basic human rights, laid the basis for the specific form of racial oppression imposed on the Aboriginal people.

Discrimination against Aborigines is not, as ruling-class apologists like to pretend, the outcome of an unfortunate historical event whose legacy is steadily being overcome. It is an inherent and continuing feature of Australian capitalism.

The Aboriginal people constitute a racially oppressed minority within the Australian nation, systematically discriminated against in employment, housing, education, health and other services. They suffer disproportionately higher levels of unemployment, and are concentrated in the worst paying jobs. The quality of education and health facilities for Aborigines is far below the average for the Australian population as a whole, and their average life expectancy is comparable to that of many of the poorest Third World peoples. As a result of extreme poverty and systematic police victimisation, Aborigines have one of the highest imprisonment rates of any people in the world.

As a racially oppressed minority within the Australian nation, Aborigines will only be able to fully win their rights through the independent mobilisation of their people and by winning the active support of those in the majority non-Aboriginal population who are also victims of capitalist exploitation and oppression. The struggle to win non-Aboriginal people to support the progressive demands of Aboriginal people is also crucial to the fight to remove the debilitating influence of racist ideology within the working class and the progressive movement.

The party supports the struggle of Aboriginal people to end their racial oppression and for recognition of their special rights as the dispossessed original inhabitants of the Australian continent. It calls for specific measures to enable Aborigines to achieve full political, social, and economic equality. These measures include:

- Recognition of the right of Aboriginal communities to control their own affairs. Elected Aboriginal community councils should control government funds allocated to organisations and services to combat poverty, disease, poor housing, unemployment and legal abuses. High priority should be given to the training of Aboriginal teachers, health, welfare and legal workers.
- Recognition of the right of Aboriginal community councils to establish public inquiries to review the cases of all Aboriginal prisoners and any cases of abuse or death of Aborigines while in legal custody. Aboriginal communities should be policed by community-controlled police drawn from residents of the community.
- Strengthening and strict enforcement of legislation outlawing racial discrimination in education, housing, employment or any other field. These laws should be supported by a vigorous national education campaign against racism.
- Preferential treatment for Aborigines in education, health services, public housing, employment and job training in order to overcome past discrimination.
- Introduction of comprehensive Aboriginal studies programs throughout the education system. School textbooks should be revised to present a truthful account of Aboriginal history. Special courses should be made available to teach Aboriginal languages and culture.
- Strict enforcement of a national land rights act providing for the restoration of Aboriginal land, under inalienable title. Such an act would recognise land claims based on traditional occupation and/or need. Government funds should be provided to enable Aboriginal communities to use Aboriginal land and its natural resources for the economic well-being of its residents. No economic activities should be carried out on Aboriginal land without the consent of the Aboriginal owners. Financial compensation should be granted to Aborigines who have established a claim to land on the basis of traditional occupation, but who do not wish to resettle on that land.

Strict enforcement of an effective Aboriginal heritage protection act. Aboriginal communities must have the right to determine which sites of cultural or historical significance are to be given legal protection.

## **For the rights of young people**

Throughout its existence, capitalism has been marked by extreme and shameful exploitation of young people. Today, with its economy mired in crisis, capitalism denies large numbers of young people any hope of a decent future. It condemns increasing numbers to permanent unemployment, homelessness, and destitution. Employers and governments constantly attempt to reduce youth wages. They treat

young people as a pool of cheap labour that can be used to undermine the wages and conditions of the working class as a whole.

Special income benefits, low-rent housing, vocational training schemes, genuine job-creation programs and support services are urgently needed to ensure that unemployed and homeless youth are not forced into crime and prostitution. Unemployment benefits equal to those available to adults must be provided to all school leavers regardless of age. The junior wage should be abolished. Pay scales should not discriminate against young workers. There must be a massive expansion of apprenticeship programs, with apprentices guaranteed full union rights.

As the capitalist crisis deepens, the right of working-class youth to a useful and fulfilling education is under continuous attack due to cutbacks to public education. While private schools are provided with large government subsidies, the public school system suffers from declining funding, poor facilities, overcrowding and understaffing. Government subsidies and grants to private schools should be ended, and funds to public schools should be massively increased.

The administration of public schools should be taken out of the hands of government bureaucrats and placed in the hands of democratically elected community committees. The autocracy of high school principals should be replaced with boards elected by local communities, teachers and students. High school students must be accorded full democratic rights, including freedom of speech, freedom of dress and freedom of political association.

As a result of the third technological revolution in which productive technology based on simple electric motors is progressively replaced by semi-automated production using electronic devices, late monopoly capitalism needs an increased pool of skilled workers and technicians. This has led to a vast growth of the size of the university and college student population since the Second World War. The campuses have grown in social weight and have greater influence in the intellectual and cultural life of the country. As a result of the vast increase in tertiary training, the percentage of workers with some tertiary education has increased. The percentage of students who will become wage and salary earners has increased, and the percentage who are working while studying has also increased.

While each student is of course affected by the class position of the family into which he or she was born and raised, students as a social group have no direct relationship to the means of production or role in the social organisation of labour. Students do not function as workers, capitalists or petty bourgeois. They are preparing to assume one of these roles. The attitudes of the social class to which they believe their education will lead them can have a stronger influence on them than their class

origins.

The social position of students has changed dramatically in the past century. No longer are they predominantly children of capitalist and upper petty-bourgeois families in training for capitalist and petty-bourgeois careers. Today, the majority of tertiary students are drawn from working class and lower petty-bourgeois families and are destined to become wage or salaried workers of some kind.

Because modern universities and colleges concentrate large numbers of students mainly of working class and lower petty-bourgeois origins, and because of the relative freedom of student life, social and political crises tend to find sharp and prompt expression among such students, and their responses can easily pass beyond the campus to affect layers of working-class youth. This, of course, is not a one-way process. Working-class struggles can win broad support among students.

In the final analysis, the political mood of students is heavily influenced by the state of the conflict between the decisive social forces in capitalist society: those of wage labour and capital. However, the relationship between the two is not usually direct and immediate. The development of student struggles often has a logic of its own.

The same expansion of tertiary education that increased the social weight of students also accentuated the contradictions between the role of the education system as an institution of capitalist rule and the needs and aspirations of the majority of students. The deepening crisis of the capitalist system exacerbates these contradictions. The ruling class today is compelled to rationalise tertiary education, forcing campus students and their families to pay more of the cost of education, tying the content and organisation of education ever more directly to the needs of big business, moving to sharply increase the narrowly vocational emphasis of education, and taking steps to restrict students' political freedom.

The party opposes these reactionary tendencies. It supports student struggles for completely free tertiary education available to anyone wanting it, and for the provision of a guaranteed livable income to all students. The administration of each university and college, including its curricula, should be under the democratic control of the students and the faculty.

Instead of being education factories serving the interests of monopoly capital, the universities and colleges should be institutions serving the needs of working people, and organising centres for anticapitalist activities. Students and staff should have the right to use the resources of the universities and colleges to assist the struggles of the working class and all the oppressed. ■

## Section 2. For Protection of the Environment

Over the past 200 years capitalism has inflicted serious damage on Australia's natural environment. In a continent that is 70% arid or semi-arid, the fertile areas have been ruthlessly exploited. The indiscriminate clearing of natural vegetation for commercial farming has led to serious climatic changes and devastated the habitats of indigenous animals. Inappropriate crops and farming methods have exposed the soil to erosion, and pastoral activity in semi-arid areas has contributed to the spread of the desert. Poorly considered irrigation, excessive clearing of trees, and overuse of artificial fertilisers have led to the poisoning of more and more farming land through salination and acidification.

The dumping of household, industrial and mining waste products (garbage, untreated sewage, chemical and metal wastes, radioactive tailings from uranium mines, etc.) and extensive use of chemical pesticides, has led to the poisoning of land, rivers, lakes and coastal waters. The poor design of cities and excessive reliance on private automobile transport rather than public transport has led to serious air pollution problems and the disappearance of much of the best agricultural land under suburbs. Cancer threatens to become a national epidemic as a result of radiation and toxic chemicals on the job, seepage of industrial wastes into homes built over abandoned dumps, and the poisoning of the air, water, food and other basic consumer goods.

The technology already exists to deal with these problems — to clean up and control pollution, to preserve the natural environment, to recycle industrial and domestic waste, to introduce environmentally safe production processes and to plan livable cities. The lack of concerted action on these problems is a result of the subordination of the health and welfare of the mass of people to monopoly capitalism's rapacious drive for private profit. Capitalist enterprises operate with almost total disregard for their impact on the environment and the health of their employees and the community in general.

Protection of the environment and of workers' health on the job are closely related matters. As part of its austerity drive, big capital is trying to roll back existing environmental and health standards, and is fiercely resisting the development of new standards.

Working people are entitled to full information about, and control over, the environmental conditions that affect their health and survival where they work and live. Environmental and health standards must be established by working people and communities with full access to technical information and based on consultation with experts of their own choice.

Elected community committees must be empowered to decide directly on projects to establish factories or use industrial processes that may adversely affect the local environment. Such committees must be empowered to gather full and accurate information about the relevant ecological and health issues, and to make their decisions on the basis of this information, not out of concern for corporate profits.

The poisoning and destruction of the environment is a crime that threatens human survival, and should be treated as such. Corporations that violate environmental standards should be forced to pay the full cost of cleaning up the damage they have caused and fully compensate all whose health has suffered as a result of such violations. These corporations must be forced to install pollution control equipment and prohibited from passing on the cost of this to consumers through higher prices. Companies manufacturing chemical pesticides and artificial fertilisers should pay a levy to finance the development of environmentally safe fertilisers and methods of pest control.

A large-scale program of public works, funded by increased taxes on corporate profits, should be introduced to clean up our land, rivers, and coastal waters, to carry out reforestation projects, and to establish publicly owned plants for recycling industrial and household waste.

The habitats of rare or endangered species of plants and animals must be declared national parks, and an extensive program must be introduced to restore the ecological balance of these areas. Communities currently based on the economic exploitation of such areas must be guaranteed compensation, job retraining and alternative employment.

Every aspect of the nuclear power industry, from the mining of uranium to the disposal of radioactive waste products, is fraught with lethal and insurmountable dangers. The party opposes any attempts to establish a nuclear power industry in Australia and demands the immediate cessation of the mining and export of uranium.

Just as they should reject the false dilemma of having to choose between employment

or cuts in wages, working people should reject arguments by the capitalists that they cannot afford to take the measures necessary to clean up and protect the environment, or that workers' jobs will be threatened by environmental protection measures. Working people cannot afford bosses who put profits before the health of their employees and the community in general. Such companies should be nationalised without compensation (except for small stockholders) and placed under the control of workers' committees provided with complete access to the government funding and all the technical information required for meeting the requisite health and environmental protection standards.

Where environmental protection can only be achieved by the closure of an industry, as in the case of uranium mining and the nuclear power industry for example, governments and employers must be forced to provide alternative work, training and retraining, and where appropriate, compensation to employees and communities affected by such closures.

While victories along these lines can slow the slide to environmental catastrophe, ultimately this problem can only be resolved through the replacement of the capitalist system with a worldwide system of democratic socialist planning. Mass political action aimed at winning concessions from the capitalist ruling class can play a crucial role in raising mass consciousness of the need for such a radical social transformation, and in organising the social forces that can carry it through. ■

## Section 3. For Peace & International Solidarity

The Australian capitalist class fraudulently presents its military forces as a socially neutral force that defends what it calls “national security.” In fact, the military forces of the Australian imperialist state do not defend the security of the majority of Australians. They defend the security of the Australian capitalist class — its property and profits — against working people both within Australia and abroad.

The Australian military machine has been used to break strikes at home and to suppress national liberation struggles abroad. Through its alliance with Washington, it plays a supporting role in US imperialism’s system of global nuclear terrorism.

The security of Australian working people is not enhanced, but undermined, by the continued existence of this imperialist war machine. Our lives are imperiled by imperialism’s nuclear arsenals and by being involved in conventional wars to maintain imperialist domination of the Third World. The war machine wastes resources that could be used to defend our economic and environmental security. War and the threat of war are used by the capitalist rulers to restrict our democratic rights.

In the face of nearly unanimous scientific opinion that a full-scale nuclear war would destroy civilisation, if not the very physical existence of humanity, preventing imperialism from unleashing a nuclear holocaust is a task of the highest priority.

The party supports the building of a broad, non-exclusionary movement for nuclear disarmament in Australia. The party seeks to encourage direct mass actions focusing on concrete demands directed against the role of the Australian government in the US-led imperialist nuclear war machine. Such demands include:

- Dissolution of the US-Australia alliance.
- Immediate closure of all US military and spy bases on Australian soil.
- Denial of access to Australian ports and airfields for US warships and warplanes.
- An immediate end to the mining and export of uranium.

The struggle for nuclear disarmament is crucial not only to humanity’s survival



but also to the improvement of the living conditions of working people. Nuclear and conventional arms production, while immensely profitable to monopoly capitalism, are socially useless and waste enormous material and human resources. The billions of dollars consumed by Australian imperialism's war budget should be reallocated to help meet the social needs of working people. The first step in that direction should be a 100% tax on all profits from armaments production. War industry plants should be nationalised and placed under the control of workers' committees charged with retooling them for production of socially useful goods.

In order to fight its wars, Australian imperialism has repeatedly sought to introduce conscription. In the face of the capitalist economic crisis, sections of the ruling class have raised the idea of compulsory military or quasi-military service for the unemployed. The party opposes any and every attempt to draft the unemployed or anyone else into the imperialist army.

In the context of large-scale and permanent unemployment, particularly among young people, the ruling class seeks to boost supposedly voluntary recruitment to its military forces by presenting them as a means to acquire technical training. At the same time, it denies decent pay and full civil liberties to the ranks of the military forces, and secure and adequate accommodation to their families. The party demands a massive increase in the availability of civilian technical training programs; provision of decent housing and adequate pay for rank-and-file military personnel and permanency of residence; and recognition of their right to exercise every democratic freedom enjoyed by other Australians.

War and preparations for war threaten the lives and welfare of the overwhelming majority. Decisions related to war must be taken out of the hands of the capitalists, their political representatives, and general staffs. Working people and rank-and-file soldiers have a right to know all the real aims and commitments of the government's military and foreign policy. All military and diplomatic treaties and agreements should be made accessible to the public. The people should have the right to vote directly on the question of war.

While the party seeks peaceful social change, it also recognises that privileged classes usually do not hesitate to resort to violence to preserve their unjust rule. While society remains divided into antagonistic classes, there will be armed forces. In their own defence, the oppressed classes must have armed forces under their control.

Nor is the party indifferent to the question of defending Australia's national sovereignty. For the capitalist rulers, however, national defence does not mean defence of the nation, that is, of the interests of the majority of the population. On the contrary, for the imperialists, national defence means defence of their property and profits at

home and abroad. The Australian military forces are recruited, trained and structured in a manner that guarantees they will defend these predatory interests.

A genuine policy of national defence is only possible when the armed forces are no longer a weapon for the defence of capitalist exploitation, that is, when the working class has state power and the armed forces are recruited, trained and structured so that they defend its interests. As a first step on that road the party demands the right of workers' organisations to establish voluntary military training associations, with free election of instructors paid by the capitalist state.

The struggle against the imperialist war machine cannot be separated from the struggle against imperialism in general. The Australian imperialist war machine is only an instrument for the defence of the interests of the imperialist capitalist class, particularly the defence of its ability to exploit the workers and peasants of Asia and the Pacific. The party opposes Australian military intervention abroad and all forms of Australian military aid to pro-imperialist Third World regimes, in particular the training of their military personnel and police.

The ruling class recognises that Australian capitalism is an integral part of the world capitalist system, and is affected by the outcome of struggles between the exploiters and the exploited internationally. It therefore extends moral and material solidarity to the forces of imperialist reaction throughout the world. Working people in Australia need to be just as class conscious about their international interests and extend solidarity to struggles against exploitation and oppression in other countries.

The party regards the promotion of international solidarity as one of its major tasks. It does this by helping to educate Australian working people about the importance and development of progressive struggles in other countries and by building campaigns and solidarity committees that can provide political and material aid to those struggles. In carrying out its international solidarity work the party gives priority to struggles that are in the frontline of the fight against the imperialist system in general, and to those directly threatened by the Australian imperialist state.

Racism, xenophobia, and nationalism are powerful ideological tools of imperialist foreign policy, supplying implicit justification for imperialist war preparations and military intervention in the Third World. The fight against nationalism and racism at home is thus closely linked with the fight against imperialist aggression abroad. ■

## Section 4. Defending Living Standards & Working Conditions

At the heart of the capitalists' solution to the structural crisis of late monopoly capitalism is a radical increase in the rate of profit through an offensive to cut working-class living standards and conditions of work.

Effective resistance to this offensive is only possible if the workers' movement rejects so-called wage restraint, fake industrial democracy projects, profit-sharing schemes, and all other forms of class collaboration that subordinate workers' living standards and working conditions to capitalist profitability. Above all, the workers' movement must fight all attempts by the capitalist state to control wages and working conditions, either through its industrial courts or by making union agreements with individual employers subject to enforcement by the civil courts.

While fighting for the right to free collective bargaining between unions and employers, it is necessary to remember that any collective agreement is merely an armistice. The capitalists will violate these agreements at the earliest opportunity. The unions must be prepared to do the same when this benefits their members.

During the two decades of unbroken capitalist prosperity prior to the onset of world capitalism's present chronic economic crisis, the expectations of the Australian working people increased. They came to expect relatively high and steadily rising standards of living, which included quality housing, health care, education and social security as well as civil liberties.

Under the present austerity drive of the capitalist class quality housing, medical care, education and a secure retirement are becoming the preserve of steadily fewer, rather than rights enjoyed by all. The party considers that urgent measures are required to ensure that these social and economic rights are guaranteed to everyone:

- A massive program of public housing construction, carried out by a government-owned construction agency; laws to fix rents at no more than 10% of a tenant's income; confiscation of unused dwellings and their inclusion in the stock of public

housing; outlawing of landlordism; nationalisation of the banks, building societies and finance companies to ensure that low-interest housing loans are made available to working people and home loan repayments are substantially reduced; cheap loans to be made available to enable public housing tenants to purchase the dwellings they live in.

- Introduction of a universal health-care system, in which all medical and dental services are provided free of charge to everyone.
- Termination of all subsidies to private schools and colleges; free tuition, free textbooks and adequate living expenses should be provided to everyone who wants to attend public schools, colleges and universities.
- All elderly and retired persons should be able to receive adequate social security benefits. In addition, there should be a massive expansion of publicly funded social services (specialised health care and nursing, domestic work services, etc.) to enable the aged to live in dignified conditions.
- Society should provide the material conditions that will enable all people with disabilities to as much as possible exercise the basic human right of controlling the course of their lives and of making decisions regarding their daily lives. Thus they should have access to adequate social services and benefits and/or meaningful employment. Public transport systems should be designed to include the needs of people with physical disabilities. Building codes should take account of the needs of the physically handicapped, and should be strictly enforced.

While maintaining its support for struggles centred on immediate demands aimed at defending and improving workers' existing living standards and working conditions, the party also advocates transitional demands that provide a bridge from such struggles to a generalised offensive against the capitalist system.

In the face of the twin evils of late monopoly capitalism — permanent unemployment and permanent inflation — the party advocates a *sliding scale of wages* and a *sliding scale of hours* to challenge the capitalists' power to use price rises to erode real wages, and their power to decide who should and who shouldn't have a job.

Instead of being constantly forced to struggle just to maintain the existing purchasing power of their wages, workers need to secure protection of their wages against continually rising interest rates and consumer goods prices. The workers' movement should fight for a guaranteed minimum income based on a standard budget drawn up by the trade unions and a system of automatic wage indexation, in which wages are compensated fully and promptly according to a cost of living index maintained by the trade unions and consumer committees. Indirect income, social security payments, and social spending should also automatically rise in accordance with this index. Such

an indexation system must be free of any restraints on working people to fight for extra increases in their buying power.

To ensure that such automatic compensation for inflation is not negated by pushing working people into higher tax brackets, a radical reform of the tax system is essential. Indirect taxes that hit working people first and foremost should be abolished. A progressive direct tax on total earnings and capital should be introduced, applying only to incomes above the average wage. Tax brackets should be adjusted automatically to compensate for inflation.

To combat unemployment, structural as well as conjunctural, there should be an automatic reduction of working hours with no reduction of the existing weekly wage and without any increase in the speed of production.

Additionally, large-scale job-creation projects should be launched to provide jobs for all. An important aspect of such job creation would be *a massive program of socially useful public works*. Such a program would aim to provide low-rent public housing; an efficient and accessible public transport system based on community needs; a comprehensive network of childcare centres; new hospitals and community health centres. It would also involve a concerted drive to clean up the environment.

This public works program and the accompanying expansion of public services should be paid for by increased taxes and special levies on the big corporations and banks.

It is essential to supplement these measures with a struggle against employer control over hiring and firing. The seniority system won through previous battles by the labour movement is one measure limiting the bosses' ability to pick and choose workers and victimise the most militant. Together with the union-enforced closed shop, the seniority system establishes a degree of workers' control over hiring and firing.

The unions must also take steps to prevent the bosses using the seniority system against struggles of the specially oppressed to overcome sexual and racial discrimination. Unions should demand that workers have a right to a say over layoffs, and that no layoffs occur without adequate redundancy payments and the offer of an equivalent-paying job in the same region or employer-funded retraining.

While struggling to eliminate unemployment, the unions must also pay close attention to organising the unemployed. In the long run, the lack of organisation of unemployed workers weakens the unions and may help to create a social base for ultrarightist forces. The unions must strenuously resist attempts to use the unemployed as a cheap labour force through work-for-the-dole schemes or government subsidies to employers to cover the wages of rehired workers.

The union movement must advance specific demands for the unemployed, including free public transportation, a moratorium on debts, credit for food and housing, unemployment benefits equivalent to the worker's previous wage, equal compensation at the minimum union wage for those seeking their first job, and voluntary training or retraining with full pay.

There should be no discrimination in the provision of unemployment benefits on the basis of marital status, age, personal savings or assets. Nor should there be any waiting period or arbitrary cut-off time in the payment of such benefits to unemployed persons.

On the job, workers must protect themselves from the attempts of the bosses to increase the rate of surplus value through speedups, automation, erosion of health and safety standards, etc. This requires *workers' control over working conditions*. Workers must have veto power on questions of job safety. They must have the right to insist that work cease immediately on demand of workers, or their elected representatives, and at no loss in pay whenever their safety is at stake. All safety control and the pace of work must be collectively set by the workers themselves.

The employers and their lawyers will undoubtedly claim that all these demands are unrealisable, and would drive them out of business. Workers should not be intimidated by such arguments. Realisability or unrealisability is a question of the relationship of forces, which can only be decided by struggle. In order to expose the bosses' lies and threats of bankruptcy, the unions should demand that the bosses *open their books to inspection by the workers*.

Where a company's accounts reveal that it would be ruined, workers should not capitulate to the bosses' bookkeeping blackmail. The workers should demand that such enterprises *be nationalised without compensation* (except for very small stock holders) and reopened under the control of workers' committees.

Nationalisation by a capitalist government does not guarantee that an enterprise will be run openly and in the interests of the public. To the contrary, enterprises owned by the capitalist state are managed by boards consisting of capitalists and their loyal experts. They operate behind closed doors to guarantee hefty interest payments to their former owners and other wealthy bondholders, or to provide heavily subsidised services at public expense to private employers.

Such capitalist nationalisations are simply designed to conceal the socialisation of the losses made by profiteering owners who have run an enterprise into the ground and shifted their capital to more lucrative operations. Often, when these enterprises have been made profitable again through massive injections of taxpayers' money, they are returned to private ownership.

In contrast to such capitalist nationalisation schemes, the party demands that all

*state enterprises be operated as public services*, with profit subordinated to this aim. To avoid capitalist abuses in the management of nationalised enterprises, and to safeguard the interests of working people, all aspects of their administration should be subject to rigorous supervision by workers' committees, and be open to public scrutiny.

Workers should also reject the capitalists' claims about the need for sacrifice in the interests of international competition. The question of living standards and working conditions should be approached from the standpoint of workers' needs, and not from that of competition between the exploiters of different nations.

Protectionist measures, such as import tariffs, which are professedly aimed at keeping jobs in Australia, are really aimed at allowing Australian corporations to charge higher prices and reap greater profits in the face of foreign competition. They are no less inflationary than devaluation of the dollar, which deprives workers of the possibility of purchasing less expensive foreign-made goods.

Tariffs and currency devaluations are all aimed at imposing the burden of the capitalist economic crisis on workers, whether in this country or abroad. Instead, the workers' movement should demand a *state monopoly of foreign trade* with decisions about what goods are imported and exported subject to control by a central board elected by a national conference of workers' control committees representing each branch of industry.

To reach their decisions on a sound basis, workers' control committees will need full information about the operation of the economy and each unit within it. This can only be made possible by the *abolition of all business secrets*. All financial accounts, technical information, reserves, inventories, safety and environmental records, speed-up schemes, etc., should be open to public scrutiny. In the first place, the banking system — now the accounting and credit system of the capitalist class — must be opened up for inspection by workers' committees.

Through such measures, national conferences of workers' control committees will be able to draw up an inventory of the resources of the country and a *national economic plan* to meet the needs of working people. To put such a plan into effect, however, it will be necessary to *nationalise the monopolies* in order to break the capitalists' domination of the economy.

Workers' control thus constitutes a school for planned economy and a preparation for workers' self-management, which is possible only after the conquest of political power by the working class has opened the way for the expropriation of the key branches of capitalist production. Defence of working-class living and working conditions is thus inseparably connected with the struggle for a *working people's government*.

# Part V. The Socialist Transformation of Society

The aim of the socialist movement is the replacement of capitalist society with a classless society in which social solidarity and production for social need replaces the competitive quest for private enrichment, and in which social wealth can assure the rounded development of all individuals.

Private ownership of the means of production is the basis for the division of society into classes. Thus, the essential socio-economic precondition for a classless society is the socialisation of the ownership of the means of production.

Change in the ownership of the decisive means of production from private to social property can be achieved relatively rapidly, particularly where, as in highly industrialised countries like Australia, the most important sectors of productive activity have already been objectively socialised by monopoly capital. But a much longer period of time is needed to raise the level of material production so as to replace the capitalist mechanism of distribution of consumer goods according to *work* with the socialist system of distribution according to *need*, and to eliminate the habits of thinking instilled by capitalism (personal ambition, selfishness, competitive individualism, etc.). Thus, the tasks involved in creating the material and psychological conditions for socialism will necessitate a lengthy transition period. ■



# Section 1. Democracy & the Transition to Socialism

Basing themselves on the experience of revolutions in the 19th century, the Paris Commune of 1871 in particular, Marx and Engels concluded that:

1. In order for the working class to abolish capitalism and begin building a classless, socialist society — what they called “communism” — it must conquer political power and, by degrees, expropriate capitalist property, centralising the means of production in the hands of the state, i.e., of the proletariat organised as the ruling class.

2. The state institutions of even the most democratic capitalist state serve to uphold the rule, and defend the interests, of the capitalist class, i.e., represent the social dictatorship of the capitalist class, and therefore cannot serve as instruments with which to overthrow that rule and transfer political power to the working class.

3. The dismantling of the capitalist state, in the first place its repressive apparatus (military forces, police, judicial and penal system) is a necessary prerequisite for the conquest of political power by the working class.

4. Between capitalist society and socialist society lies the period of revolutionary transformation of the one into the other. Corresponding to this there will be a period of political transition in which the state can be nothing other than the instrument of the revolutionary rule of the working class (what they called “the dictatorship of the proletariat”).

5. Unlike all previous forms of class rule, in which the state was an instrument for the forcible suppression of the majority by the minority ruling class, the workers’ state represents the interests of the great majority and forcibly suppresses the power of the former minority ruling class, the capitalist class. The state institutions of the dictatorship of the proletariat must therefore be radically different from those of a capitalist state, or any previous state.

6. The political form that the workers’ state would take would be that of a workers’ democracy based on elected councils of working people’s delegates exercising both

legislative and administrative functions, and in which:

- The standing army with its professional officer corps would be replaced by a workers' militia involving the entire adult population.
- All state officials, judges, and leaders of the workers' militia would be elected and subject to immediate recall by their electors, and their income restricted to that of skilled workers.
- There would be a regular rotation of elected officials and a gradual and continuous reduction in the number of professional functionaries as more and more administrative functions were transferred to bodies elected by or directly involving the working people themselves.

7. Even in the most democratic capitalist regimes, the existence of private property, class exploitation and the consequent social and economic inequality result in a violent restriction of democratic freedoms for the big majority. Law defends private property in the means of production; and the repressive apparatus of the state is aimed at controlling, and when necessary suppressing, the overwhelming majority. Workers' democracy must be superior to capitalist democracy, both in the economic and social sphere — such as the right to work, security of existence, free education, free health care, etc. — as well as in the scope and extent of democratic rights enjoyed by working people.

8. The workers' state is the instrument of a propertyless class whose liberation from exploitation and oppression can only be realised through the construction of a classless, socialist society. The workers' state is therefore transitional; it will wither away as the socialist society comes into being on a world scale.

These fundamental conclusions about the necessity and character of the workers' state have been confirmed by the experience of socialist revolutions in the 20th century, beginning with the 1917 Russian Revolution.

Despite these experiences, there are still those who proclaim that the workers' movement can attain its socialist goals within the framework of the institutions of capitalist democracy, through reliance on parliamentary elections and the gradual conquest of "positions of power" within these institutions. This reformist concept must be energetically opposed and denounced for what it is — a cover-up for the abandonment of the struggle for working-class power and a substitute of ever more systematic collaboration with the capitalist class for a policy of consistently fighting for the interests of the working class.

Far from reducing the costs of "social transformation" or ensuring a "slower but peaceful" transition to socialism, this reformist policy, if it should determine the political attitude of the working class in a period of unavoidable class confrontation, can only lead to bloody defeats and mass slaughters as the 1965 coup in Indonesia and the 1973

coup in Chile demonstrated. Adherence to such a policy by the German Social Democracy was a major factor in the triumph of fascism in Germany in 1933. Pursuit of a similar policy by the Spanish Communist Party, following Stalin's Popular Front line, also contributed to the victory of fascism in the Spanish Civil War.

## **Democracy and the struggle for workers' power**

The experiences of revolutionary struggles in the 20th century have also provided new insights into the process of establishing the democratic power of the working class:

1. The working class is profoundly democratic in its aspirations. As the class struggle sharpens, the workers spontaneously strive to create democratic forms of organisation in order to most effectively employ their chief weapon in their fight against capitalism — collective action.

2. As their mass mobilisations grow in intensity, the workers seek to create progressively broader forms of democratic self-organisation, including elected strike committees, factory committees, and finally, in a revolutionary upsurge, elected councils that extend beyond individual workplaces, tend to encompass larger and larger sections of the allies of the working class, and challenge the power and prerogatives of the capitalist state machine.

3. The generalisation, coordination and centralisation of such councils (soviets), together with the growing paralysis and initial disintegration of the organs of capitalist power, creates a revolutionary crisis in society, a situation characterised by the existence of two parallel, competing centres of power.

4. To fulfil their role as organs of revolutionary struggle, the soviets must seek to include all political tendencies within the insurgent population and guarantee the right to freely debate policies and actions. In this sense, they are the highest form of the united front.

5. A multi-faceted struggle erupts between the class-collaborationist and the class-struggle forces within the soviets and other mass organisations for leadership of the insurgent population. A process of selection unfolds, that makes possible the rapid growth of a revolutionary socialist party — provided it has grown sufficiently before these events to appear as a credible alternative leadership to the masses and has a sufficiently large and tested nucleus of cadre firmly based in the working class.

6. The transformation of this revolutionary cadre organisation into a mass workers' party is the decisive element in winning a majority to the revolutionary perspective of the conquest of state power by the workers and their allies.

7. The first qualitative step in establishing the democratic power of the working class is the revolutionary replacement of the capitalist government by a working people's

government based on the soviets and other organs of mass revolutionary struggle.

8. Such a government stands at the head of a turbulent, transitional process, during which the capitalist class retains significant advantages. Unless it acts decisively to consolidate the organs of revolutionary mass struggle as the new institutions of state power, that is, to replace the weakened capitalist state with a workers' state, and to organise the workers to assert control over the capitalists, the revolutionary foundations of the working people's government will gradually be undermined. The capitalists will use their economic power to unleash economic chaos, leading increasing sections of the working people to become demoralised, inactive, and confused. The erosion of the masses' confidence in the revolutionary leadership will enable the capitalists to reassert their political power — to oust the working people's government, re-establish a capitalist government, rebuild the capitalist state machine, and dismantle the democratic gains of the revolutionary upsurge.

9. The consolidation of the workers' state and mechanisms for workers' control over the capitalists enables the working class to prepare itself to begin "wresting by degrees" productive property from the capitalist class, to establish a state monopoly of foreign trade and to introduce a planned economy.

10. The pace of this qualitative transformation is dependent upon the ability of the workers' state to break the resistance of the capitalists to the consolidation of workers' power; the acquisition by the working class of the administrative experience and technical skills to begin managing state-owned industries and participating in national economic planning; and the cementing of the alliance between the working class and the exploited sections of the petty-bourgeoisie, above all the working farmers.

11. In effecting the transition from a capitalist economy to the nationalised, planned economy of a socialist state, it is to the benefit of the working class to seek to take advantage of those capitalists, and the even larger layer of managers and middle-class technicians, who can be persuaded to place their managerial and technical skills at the service of the working class.

12. Success in carrying through these tasks depends not only upon the evolution of the international and domestic relationship of class forces, but above all upon the political calibre and consciousness of the revolutionary leadership, of its ability to act decisively to educate, organise and mobilise the workers to defend and advance their common interests.

## **Workers' democracy & the building of socialism**

The abolition of capitalist state power and the expropriation of capitalist ownership of the means of production does not immediately lead to the disappearance of privileges

in the field of personal wealth or cultural heritage, not to speak of the disappearance of all elements of commodity production. Long after the capitalist state has been overthrown and capitalist property abolished, remnants of commodity production and survival of elements of a money economy will continue to create a framework in which primitive accumulation of capital can still reappear. This is especially true if the level of development of the productive forces is still insufficient to guarantee the appearance and consolidation of genuine *socialist* relations of production (collective ownership and control of the means of production and the social surplus product by the associated producers, distribution of products according to need).

State power of the working class is indispensable in order to prevent these “islands of capitalist influence” from becoming bases for the restoration of capitalism. The constitution and penal code of a socialist state (i.e., of a workers’ state that has expropriated capitalist property in industry, banking and wholesale trade, introduced a state monopoly of foreign trade and a planned economy) will severely limit, if not totally outlaw, private appropriation of means of production and the private hiring of labour.

Well after the capitalist class has lost its positions as a ruling class politically and economically, the influence of bourgeois and petty-bourgeois ideas, customs, habits, and cultural values will linger on in relatively large spheres of social life and among a considerable section of the population. But it is completely wrong to draw the conclusion that administrative repression of bourgeois concepts or values is a necessary condition for building a socialist society. On the contrary, historical experience confirms the counterproductive character of administrative attempts to suppress reactionary bourgeois ideas. Suppression merely drives those who hold such ideas underground and prevents the leadership of the socialist state from gaining an accurate picture of the real level of consciousness and understanding of the masses. In the long run, such methods even strengthen the hold of reactionary ideas and place the great majority of workers in the position of being ideologically disarmed before them, because of lack of experience with genuine political struggle and ideological debates.

The only effective way to eliminate the influence of bourgeois ideology upon the working class lies in:

1. The creation of objective conditions under which these ideas lose the material roots of their attraction and the basis upon which they reproduce themselves, i.e., the eradication of money-commodity relations and capitalist norms of distribution of consumer goods and services.

2. The waging of a relentless struggle against these reactionary conceptions in the field of ideology and politics itself, which can only be successful under conditions of

open debate.

3. The utilisation by the socialist state of an education policy based on teaching the new generation a scientific, materialist approach to life. At the same time, freedom of religious observance creates the best circumstances to gradually overcome obscurantist ideas in the course of free and open confrontation with scientific ideas.

Only those who have no confidence in the correctness of the materialist world outlook or in the capacity of the working class to understand its own social interests can shrink from open ideological conflict with those who hold procapitalist ideas. In fact, it is only through an open confrontation of ideas that the working class can educate and free itself from the influence of alien class ideas.

Building a socialist society involves a gigantic remoulding of all aspects of social life. It involves a revolutionary transformation in the relations of production, in the mode of distribution of products, in the work process, in the forms of administration of the economy and society, and in the customs, habits and ways of thinking of the great majority of people. It involves the fundamental reconstruction of all living conditions: reconstruction of cities, development of social services that will end the domestic servitude of women, complete revolutionising of the education system, restoration and protection of a habitable natural environment, technological innovations to conserve natural resources and eliminate pollution. All these endeavours, for which humanity has no blueprints, will give rise to momentous debates and conflicting proposals. Any restriction of these debates can only hinder the emergence of majority agreement around the most effective steps toward the construction of socialism.

Such debates will continue throughout the period of transition to socialism. They also concern the eradication of social evils that are deeply rooted in class society and that will not disappear immediately with the elimination of capitalist exploitation — the results of alienation and of the oppression of women, of national and racial minorities, and of other specially oppressed social groups. The eradication of these crippling legacies of class society necessitates freedom of organisation and action for independent movements of these oppressed social layers.

Under capitalism and even pre-capitalist forms of commodity production, it is the law of value — an objective economic law, operating beyond conscious social control — that regulates economic life, that determines the social allocation of labour, raw materials, and producer goods. The socialist revolution represents a giant leap toward the conscious regulation of humanity's economic and social destiny. While this process comes to a completion only with the emergence of a worldwide socialist society, it begins with the expropriation of capitalist property by the workers' state and the conscious planning of the nationalised economy. While the law of value cannot be

completely eliminated during the transition period between capitalism and socialism, its domination must be overcome or the economy cannot be planned.

Planning means allocation of economic resources according to socially established priorities rather than according to blind market forces and the rule of private profit. But who will establish these priorities, which involve the well-being of tens and hundreds of millions of human beings?

Experience in the USSR and the other socialist states has conclusively shown that bureaucratic planning, that is, planning without the democratic participation of the working people, is extremely wasteful and inefficient. This is true not only because of the waste of material resources and productive capacities and great dislocations in the plan, but — most damaging of all — because of the systematic stifling of the creative and productive potential of the workers. Workers' democracy greatly reduces these shortcomings by placing the system of planning under the control of the producers/consumers.

While democratic planning does not guarantee that the majority will not make mistakes in the allocation of social resources, it provides the working people — the ones who will suffer the consequences of these mistakes — with the power to correct their errors.

Nationalised property in a socialist state, established by expropriating the capitalist class, has no *automatic* bias toward socialism. The expropriation of capitalist property is a necessary but by no means sufficient condition for advancing to socialism. It opens the road to the working class taking the productive apparatus of society into its own hands and beginning the conscious advance toward socialism, but the creation of a nationalised, planned economy does not guarantee this advance. The construction of socialism is not an administrative task of managing state property and planning, regardless of how committed and socialist-minded the administrators may be. The construction of socialism depends fundamentally on the increasing involvement of the workers themselves in the administration of all aspects of social life, on the deepening of their socialist consciousness, and on the international extension of the socialist revolution.

## **Revolutionary leadership & the transition to socialism**

Just as the working class cannot solve the strategic and tactical problems involved in overthrowing capitalist rule and conquering state power without the conscious leadership of its most advanced sections, organised into a revolutionary party of the Bolshevik type, neither can it solve the strategic and tactical problems involved in abolishing capitalist social relations and in building socialism without such a revolutionary leadership.

The irreplaceable role of the conscious leadership of a revolutionary party becomes even more important with the conquest of state power by the working class. A mass revolutionary workers' party must lead the workers and their allies in *running* a state and charting a course toward socialism. Until capitalism has been uprooted on a world scale this is a much more difficult task than *overturning* a capitalist state.

The problems of defence of the workers' state, internally and internationally against capitalist powers; of consolidating democratic organs of workers' power; of organising the economy on new foundations; of aiding the development in other countries of mass revolutionary workers' parties with self-confident and experienced leaderships; of combating reactionary ideas and prejudices, and inequalities inherited from the past — all these problems of the period of transition to socialism, cannot be solved without the leadership of a revolutionary party of worker cadres educated in the Marxist program and tested in struggle.

The leadership of the revolutionary party cannot be imposed on the workers by force and against their will; it must be won by demonstrating in action the correctness of its policies.

The social emancipation of the working class can be achieved only by the activity of the working class itself, not by a self-proclaimed benevolent and enlightened elite. It follows that the role of the revolutionary workers' party both during and after the conquest of power is to lead the working class politically; to develop the mobilisation and activity of the working class in defence of its interests; to help the workers engage in decision-making at wider and wider levels; and to struggle within the working class for majority support for the party's proposals through persuasion, not through administrative or repressive measures.

To ensure that it is able to preserve its character as an organisation made up of the most class-conscious and militant workers, voluntarily united on the basis of agreement with its aims and perspectives, and leading the working class through the methods of political persuasion, the revolutionary party must ensure that its apparatus (central leadership bodies and full-time staff) remains separate and distinct from the apparatus of the workers' state.

In the early Soviet republic under Lenin's leadership, all parties except the Bolsheviks ultimately arrayed themselves with the armed capitalist counter-revolution against the workers' state. As a result, within the early Soviet state there was only one political party represented in the democratic organs of workers' power, in the soviets. However, no theoretical document of Marx, Engels, Lenin, or the Marxist movement in Lenin's time, advances the view that a monopoly of political activity by one party is necessary to maintain working-class power. The Stalinist rationalisation, developed after Lenin's



death, that each social class is represented by a single party, is historically false and served simply as an apology for the monopolisation of political life by the Stalinist bureaucracy, a monopoly based on its usurpation of the political power of the Soviet working-class.

A political party is a part of a class and since each class is heterogeneous — made up of backward and advanced layers — one and the same class may give rise to, or support, different parties. A social class can only resolve its common problems through an inner struggle of tendencies, groups, and parties. This was true for the capitalist class under feudalism and capitalism, and for the workers under capitalism. It will remain true for the working class during the transition period between capitalism and socialism.

The workers must be free to organise political groups and parties without a priori ideological restrictions. The give-and-take of free discussion and political debate within the working class is the most effective way to decide the innumerable problems of theory, strategy and tactics involved in the titanic task of building a classless society under the direction of the traditionally oppressed, exploited and downtrodden masses. Freedom for these masses to organise political groups and parties, subject only to any restrictions the working people themselves find necessary to protect their power against the old ruling class, is the only road to authentic workers' democracy.

Any attempt by a privileged stratum to dictate to the workers which political parties they may recognise and vote for is a blow not to the class enemy, but to the working class; it undermines the exercise of political power by the workers. The working people themselves, through their free vote, should determine which political parties are represented in the democratic organs of workers' power.

Similarly, to grant a single party a monopoly of access to printing presses, radio, television, other mass media, and assembly halls, etc., restricts rather than increases the democratic rights of the working people. This applies equally to mass organisations or professional associations (such as writers' unions) controlled exclusively by a single party. The right of working people, including those with dissenting views, to have access to the material means of exercising democratic rights (freedom of the press, of assembly, of public protest, the right to strike, etc.) is essential to the development and maintenance of workers' democracy, as is the independence of the trade unions from the state.

Political parties are a reflection of the class struggle in the sphere of politics, that is, in questions relating to government policy and the use of state power. As long as class conflict exists and state power is needed by the workers to defend their class interests, political parties will continue to exist. They can disappear only with progress toward a

socialist society and the withering away of classes and class conflict and, therefore, of the state. As political parties, including the revolutionary workers' party, wither away with the disappearance of classes, other forms of organisation reflecting differences of opinion and debating differing views and proposals in various spheres of social life will come into being and flourish. As society advances toward socialism and classes wither away, the revolutionary workers' party will encompass within its ranks larger and larger sections of the population and, at the same time, increasingly dissolve into these new forms of organisation of discussion and debate. ■

## **Section 2. The Danger of Bureaucratism in the Transition Period**

In the transition period between capitalism and socialism, the basic contradiction within society is between the socialised and planned relations of production, on the one hand, and the survival of capitalist norms of distribution of consumer goods, on the other. The latter are made unavoidable by the inheritance from capitalism of a level of development of the productive forces (reflected in the level of social productivity of labour) that is insufficient to assure the satisfaction of material wants through distribution according to need. In the transition period consumer goods therefore retain their commodity character, with each producer exchanging their labour-power for a wage which constitutes a certificate for the appropriation of a strictly limited but undifferentiated fraction of the whole mass of consumer goods produced by society. This, however, will not necessarily be true for services: Depending on the resources the transitional society is able and prepared to devote to these services, distribution can be effected on the basis of need in health care, education, urban transport, housing, and the supply of electricity, gas, water, etc.

In the final analysis, the basic contradiction of the transitional society can only be transcended through a substantial rise in the social productivity of labour. Historical experience, in both capitalist and transitional societies, has shown that techniques which increase productivity by improving the technical level and organisation of labour ultimately give far better results than those aimed at increasing individual productivity. Moreover, such techniques call for little use of individual material incentives. They are furthered at most by collective benefits to society as a whole or the workforce of a given enterprise. Such types of incentives, moreover, have the advantage from the viewpoint of building socialism, that they favour the cohesion and internal solidarity of the working class — insofar, that is, as enterprise parochialism is resolutely combated.

However, the social productivity of labour cannot be increased without the promotion of an increase in the administrative and technical knowledge and skills of

the producers. Theoretically, this education ought not to be the source of material advantages once society has taken over its expense, that is, once this expense is no longer financed by the individual producer or their family. In practice, the total absence of individual benefits for the acquisition of such skills would become counterproductive, if only because of the additional effort involved in attempting to gain them. Thus, the socialist state is compelled to maintain the capitalist system of monetary payment according to work, with skilled labour being given a higher remuneration than unskilled, and therefore to uphold inequality in access to consumer goods. However, this unavoidable difference in remuneration between unskilled and very skilled labour, between manual and intellectual labour, brings with it certain dangers, including the danger of bureaucratisation of the functionaries of the socialist state.

In conditions where the supply of consumer goods is inadequate to meet everyone's needs but sufficient to give significant privileges to a minority, there is a tendency for the functionaries of the socialist state, who are in charge of administering and enforcing the inequality of access to consumer goods that flows from capitalist norms of distribution, to become bureaucrats, i.e., privileged officials who monopolise decision-making power.

This tendency is particularly accentuated in an isolated and economically backward socialist state (or group of socialist states). Here, the lack of administrative knowledge and skills within the working class inevitably forces the socialist state to utilise the skills of former capitalists, their managers and state officials, most of whom can only be persuaded to serve the socialist state by being granted high salaries and privileged access to consumer goods. This creates the danger of corruption and bureaucratic degeneration among those revolutionary workers who become functionaries of the socialist state.

### **Combating bureaucratic tendencies**

The danger of bureaucratism can be combated by a series of measures, some of which were outlined by Lenin, others of which have been successfully applied by the Cuban Revolution:

- Implementation of an economic plan that promotes the optimal development of large-scale industry, that expands the availability of consumer goods and free public services as rapidly as possible, and that reduces reliance on market mechanisms and individual material incentives to raise productivity.
- Reduction of the number of administrative personnel to the absolute minimum necessary to effectively carry out the work.
- Placing the most technically competent and knowledgeable personnel in each area

of administration in charge of the actual work. Where such administrators are recruited from the former bourgeois specialists or bureaucrats, placing them under the supervision of a politically experienced and militant worker or team of workers.

- A strictly limited proportion of higher-paid elements in the representative bodies of the socialist state, and strict respect for the right of working people to criticise and keep a check on these elements, to publicly expose corrupt representatives and officials and to remove them from office.
- Strict enforcement of the rule limiting the incomes of the functionaries of the revolutionary party and of party members serving as functionaries within the state administration to those of skilled workers.
- Involvement of broad layers of the working class, through workplace meetings, in the nomination of potential candidates for membership of the revolutionary party, and the application of the strictest selection criteria for potential members of the party, plus periodic reviews of the party's membership, involving consultation with their co-workers, to weed out corrupt individuals from the party's ranks.
- Access by the working people to all sources of official information (barring military secrets).
- Involvement of the broadest masses of workers in committees for surveillance and checking on the upholding of the constitution and laws of the socialist state, and of the implementation of decisions by state bodies.
- Expansion of education and training of the greatest possible number of workers in administrative skills in order to reduce as rapidly as possible reliance on administrative functionaries drawn from capitalist backgrounds.
- Encouragement of the largest numbers of working people to participate in discussion and implementation of administrative work, and, wherever possible, in the selection of administrative personnel.
- Assignment of as many as possible of the most capable revolutionary administrators in as close contact as possible with those directly engaged in production or the provision of public services.
- Encouragement, through political motivation and moral persuasion, of the involvement of the widest layers of the population, including paid functionaries, in regular voluntary labour.
- An ongoing campaign of public education about the causes, manifestations, and dangers of bureaucratism.

## The causes of Stalinist totalitarianism

Liberal opponents of revolutionary Marxism argue that the rise of Stalinist

totalitarianism in Soviet Russia was the result of the use of revolutionary methods to solve Russia's social problems. Others, including "left" Social Democrats and anarchists, attribute the rise of Stalinism to Lenin's concept of a revolutionary centralist organisation of the working-class vanguard. They claim that the Bolsheviks' efforts to build such a party to lead the workers' revolution inevitably resulted in a paternalistic, manipulative and bureaucratic relationship between the party and the masses. This in turn led to the monopolisation of power by one party and that, they argue, was the cause of Stalinist totalitarianism. Such arguments are unhistorical and idealist — they ignore the real causes of Stalinism, which were due to the isolation of the first workers' revolution in a backward, predominantly peasant country.

The 1917 Russian Revolution was one of the most profound and sustained mass mobilisations in history, marked particularly by the mobilisations and democratic self-organisation of the working class. The Russian Revolution was the product of a deep-going social crisis resulting from the contradiction between the objective demands of capitalist development in Russia (which in the industrial sphere had already reached the stage of imperialist, monopoly capitalism) and the survivals of Russia's feudal past, particularly in agriculture (where millions of land-hungry peasants were exploited by a hereditary landowning nobility) and in the political superstructure (which was dominated by the landed nobility headed by an absolutist monarchy). The revolutionary explosion in 1917 was triggered by the deprivations imposed on the Russian working class by the inter-imperialist war of 1914-18, itself the inevitable explosion of the objectively socialised productive forces against the fetters of capitalist private property and national frontiers.

The Russian industrial and commercial capitalists, and their political representatives, as well as the petty-bourgeois reformist parties (the Mensheviks and Socialist Revolutionaries), proved incapable of resolving Russia's social problems. Only the Bolshevik party consistently defended and championed the interests of the Russian working people.

On November 7, 1917 (October 25 in the old Russian calendar) the Russian workers, led by the Bolshevik party, overthrew the unelected landlord-capitalist Provisional Government and transferred all power to the soviets (councils) of workers', soldiers', and peasants' deputies. These elected councils represented the highest form of institutionalised democracy the world has seen. Through the soviets, and the workers' and peasants' government elected by them, the Russian workers and peasants swept away the tsarist state machine, granted the oppressed nationalities the right to self-determination, distributed land to the peasantry, established legal equality for women, and introduced workers' control over capitalist industry.

Given the general poverty and backwardness of the country, the Bolshevik leaders understood that it was impossible for the Russian working class to directly hold power for a prolonged period, let alone build a viable socialist economy, if the revolution remained isolated in a hostile capitalist world. They recognised that the long-term survival and further development of the Russian Revolution depended upon aid from victorious workers' revolutions in the more economically advanced countries of Western Europe and North America. They saw the socialist revolution as an international process — a process they sought to assist through their initiative in organising the Communist (Third) International.

Inspired by the example of the Russian Revolution, there were big workers' upsurges in the major capitalist countries of western and central Europe at the end of World War I, which brought the workers to the threshold of victory in Germany, Italy and Hungary. However, these revolutionary upsurges were defeated due to the still remaining strength of imperialism (which was able to grant concessions to the masses — eight-hour working day, universal suffrage, etc.), the class-collaborationist policies of the Social Democratic parties, and the inexperience of the newly formed Communist parties. Through these defeats, the socialist revolution was isolated within a backward country. Imperialism, and its Social Democratic allies, were thus mainly responsible for laying the social basis for the subsequent rise of the Stalinist bureaucracy.

The catastrophic decline of the productive forces in Russia due to the three-year-long civil war unleashed by the landlords and capitalists after the revolution, combined with direct imperialist military intervention and economic blockade, led to conditions of extreme material scarcity, famine, industrial and financial breakdown. The same factors led to a qualitative weakening of the already small working class in the cities, which had become dispersed as a result of the collapse of industry. In addition, large numbers of the most politically conscious elements of the working class either died in the civil war or left the factories to be incorporated into the Red Army and the state administrative apparatus.

In the life-and-death struggle against foreign invaders, domestic counter-revolutionary armies, and economic sabotage by capitalist managers and technicians, the Bolsheviks were forced to move much more quickly than they had originally intended to nationalise industry, in order to bring it under the control of the workers' state. While the extensive nationalisations deprived the capitalists of bases for counter-revolutionary activity and enabled the Russian workers to equip and supply the Red Army, many factories ceased to function due to the workers' lack of managerial expertise and technical skills. The decline in industrial output brought about a corresponding decline in agricultural production by the peasants, who were unable to find industrial

goods to exchange for their crops.

In order to revive the economy at the end of the civil war, the Bolshevik party (now renamed the Communist party) was forced to allow a restoration of capitalist relations in agriculture and retail trade, and a partial restoration of capitalism in wholesale trade and industry (leasing of smaller enterprises to private investors, competition for profit between state-owned enterprises). Under this retreat, known as the New Economic Policy, while waiting for aid from victorious workers' revolutions in the West, the Soviet socialist state was to regulate the partially restored capitalist economy and direct it toward the gradual building up of a socialised, planned economy. However, in order to do this, the Bolsheviks were forced to rely on the administrative expertise of former capitalist managers and tsarist officials. Hostile to the revolution, these administrators from the old regime could only be induced to work for the socialist state by granting them high salaries and privileged access to consumer goods and services. The administrative apparatus of the socialist state thus rapidly became dominated by a bureaucratic stratum.

At the start of the NEP, a certain economic revival began. However, its immediate beneficiaries were the small peasant proprietors, private traders and small factory owners. The demobilisation of the Red Army and the slow revival of the large state-owned enterprises (which lacked the necessary injections of large investment funds for repair and renovation of expensive machinery) led to massive unemployment in the cities. The continuing shortages of goods, including essentials such as food, clothing and fuel, undermined the morale and the ability of the workers to devote attention and energy to complex political questions. This decline in the social weight and political activity of the working class deprived the democratic instruments through which the workers could have exercised control over the state bureaucracy (the soviets, the factory committees, the trade unions, and, above all, the Communist party itself) of an active and militant base of support.

Within the Communist party, a section of its leaders and cadres increasingly adapted to the petty-bourgeois outlook and authoritarian methods of the state bureaucracy. This section of the party found its leader in Joseph Stalin, the head of the party's administrative apparatus. Stalin used his administrative post as general secretary (which gave him authority over personnel assignments within the party and state apparatuses) to appoint those who would obediently serve the secretarial apparatus to leading posts throughout the party. With the exception of Lenin, the other Bolshevik leaders initially failed to recognise the danger Stalin's apparatus faction posed to the revolution, and in one way or another became complicit in its rise to power. The Stalinist faction sabotaged the measures that Lenin advocated to protect the Communist party from



bureaucratic degeneration, and then, after Lenin's death, implemented policies that accelerated this process.

The Communist Left Opposition, formed at the end of 1923, took up Lenin's struggle against the rising Stalinist bureaucracy. But in the given conditions of the Soviet Union, the working class and its revolutionary vanguard were unable to block the consolidation of the Stalinist bureaucracy's hold over the Communist party.

The rising Stalinist bureaucracy, lacking any confidence in the revolutionary capacity of the workers in the capitalist countries, sought to make a virtue out of the Soviet Union's isolation. This was the meaning of its theory of "socialism in one country." As the Stalinist bureaucracy gained control over the Communist Party of the Soviet Union, it used the CPSU's weight and prestige within the Comintern to convert its member parties into tools of the Kremlin's diplomacy, seeking class-collaborationist deals with imperialism. This in turn led to further defeats of the international revolution, prolonged the isolation of the USSR, and reinforced the conditions favouring bureaucratisation.

In order to maintain and expand its material privileges, the Stalinist bureaucracy increasingly restricted the democratic rights of workers. Since its ability to expand its privileged access to consumer goods depended on its monopoly of political power, the bureaucracy suppressed both soviet democracy and the internal democratic life of the Communist party. The soviets were transformed into ceremonial assemblies that rubber-stamped the bureaucracy's policies. Most of the leaders and cadres of the Communist party who had served under Lenin's leadership were expelled, jailed and eventually executed. The Communist party was destroyed as a revolutionary organisation of the working-class vanguard. It was converted into an administrative machine, a "jobs trust" of the privileged middle-class layers in the bureaucratic apparatuses of the state, economic enterprises, trade unions, and the party itself, which remained "Communist" and a "party" in name only.

These were the causes of the Stalinist bureaucracy's usurpation of the exercise of political power by the Russian workers, of the gradual merger of the party apparatus, the governmental apparatus, and the apparatus of economic management into a crystallised bureaucratic ruling caste, conscious that its interests were opposed to workers' democracy.

Far from being the result of Lenin's conception of the revolutionary party, the usurpation of power by the Stalinist bureaucracy was the result, in the extreme conditions facing an isolated socialist state in a backward country, of the disappearance of a decisive component of this concept — the presence of a broad layer of worker cadres, schooled in Marxist politics and supported by a politically active working class.

## The anti-socialist nature of Stalinism

The formation and consolidation of the bureaucratic caste headed by Stalin found its principal reflection in the political field, in the suppression of workers' democracy. Since it owned no means of production, the Stalinist bureaucracy would have lost its privileged access to consumer goods if the functionaries of the socialist state were subject to the democratic control of the working class. The new political regime established by the Stalinist bureaucracy most closely resembled that placed in power in capitalist countries by victorious fascist movements — a politically atomised population ruled over by a ruthless bureaucratic dictatorship masquerading behind social demagogy and the ceremonial trappings of representative “democracy.” To settle internal disputes within its own ranks, the ruling caste of bureaucrats created an “infallible” supreme arbiter as unchallengeable as themselves.

The political counter-revolution carried out by the Stalinist bureaucracy in the 1920s and '30s did not overcome the resistance of the Soviet working class to the point where private property was restored in the means of production. To the contrary, in order to expand its consumption privileges the Stalinist bureaucracy centralised the social surplus product in its own hands through the forced collectivisation of peasant farming, the nationalisation of all retail trade and light industry, and the subordination of production to a super-centralised system of bureaucratic planning.

Although the rise and consolidation of the Stalinist dictatorship in the USSR was the product of a political counter-revolution, the bureaucratic caste introduced reactionary tendencies in all fields of social life, including in the economy, in the social position of women, in the relations between nationalities, and in science and culture:

- *Economy:* The entire economy of the transition period between capitalism and socialism is characterised by the contradiction between socialised relations of production and the survival of capitalist norms of distribution. The bureaucratic ruling caste accentuated this contradiction by the enormous expansion of its consumer privileges and of social inequality; by introducing enormous disproportions between the development of production of producer goods and the whole sector (agricultural and industrial) producing consumer goods; by destroying workers' control over production and subordinating economic planning and management to the omnipotence, arbitrariness and greed for consumer privileges of individual bureaucrats (including factory managers).
- *Women:* The Bolshevik government instituted a series of deep-going reforms aimed at uprooting the oppression of women, including the liberalisation of divorce laws, legalisation of abortion and the establishment of community kitchens and nurseries in order to free women from domestic servitude in the individual family

unit. The Stalinist bureaucracy reversed these reforms: marriage and divorce laws were tightened up; abortion was again made illegal; the socialisation of domestic services was abandoned in favour of a revival of the cult of the family and women's traditional role as mother and homemaker.

- *Relations between nationalities:* One of the great strengths of the Bolsheviks was their appeal to the oppressed nationalities within the tsarist empire. Under Lenin's leadership, the Bolshevik government gave unconditional support to the right of the non-Russian nationalities to self-determination and promoted a voluntary union of Soviet republics. Lenin insisted that this federation should not limit itself to formal equality between the various national republics, but take affirmative action to develop the economies and culture of the oppressed nations in order to close the historical gap between them and the former oppressor Russian nation. The Stalinist bureaucracy abandoned the Bolsheviks' policy on national self-determination and voluntary federation. It centralised control of the USSR in the hands of the Russian-dominated bureaucracy in Moscow, promoted a resurgence of Great Russian nationalism, attempted to forcibly Russify the non-Russian nationalities, and accentuated the historical gap between the European republics, particularly Russia, and the republics of Central Asia and Transcaucasia. During and after World War II it forcibly incorporated the Baltic nations of Lithuania, Latvia and Estonia into the USSR, deported whole nationalities within the USSR from their homelands to remote territories, and subjected the newly formed socialist states in Eastern Europe to Moscow's political control. The Soviet bureaucracy used its armed forces to crush pro-socialist workers' uprisings in eastern Germany (1953), Hungary (1956) and Czechoslovakia (1968).
- *Science and culture:* Under the early Soviet government there was a flowering of innovation and debate in the realms of literature, art and architecture, of theatre and cinema, of psychology and psychiatry, of economic analysis and historiography that has had no equal before or since. With the rise of the Stalinist bureaucracy, cultural and artistic innovation and debate was suppressed. All literary and artistic production was forced to conform to the dictates of "socialist realism," that is, to the bureaucracy's romanticised image of social life under its rule. Free theoretical discussions in all the fields of social science were suppressed, and even research in some areas of natural science was obstructed or even prohibited, as in the case of genetics. The history of the party and of the revolution was systematically falsified and periodically rewritten. Marxist theory, instead of being a guide to revolutionary action, was transformed into a state "religion," with an apparatus of official ideologists scholastically culling the writings of Marx, Engels and Lenin to select

quotations with which to justify the bureaucracy's pragmatic policies.

Under the rule of the Stalinist bureaucracy there was an enormous gap between the official view of life, in which socialism had supposedly triumphed, and the realities of daily life for the great majority — permanent shortages of consumer goods and lengthy queues, and continual humiliation at the hands of arrogant and unremovable officials. Nevertheless, while working people were deprived of political freedoms and access to consumer goods taken for granted by workers in advanced capitalist countries, they enjoyed important social gains flowing from the abolition of capitalism and the functioning of the nationalised, planned economy: guaranteed full employment; free medical and dental care; free education; nominal subsidised prices for housing, transportation, and basic foods.

In the wake of the Soviet Union's victory over German and Japanese imperialism in World War II new socialist states were created in Eastern Europe, China and North Korea. But due to the Stalinist nature of their leaderships, privileged bureaucratic castes consolidated power in these newly formed socialist states and blocked the formation of a system of workers' democracy from their inception. In Vietnam and Cuba socialist states came into being in the late 1950s and early 1960s, respectively, that were under revolutionary leaderships. While bureaucratic deformations developed in these two socialist states due to the relative backwardness of their economies and to the influence of the Stalinist regimes upon them, they have not led to the usurpation of political power by a bureaucratic caste.

While the nationalised, planned economies provided the means for a rapid process of industrialisation and urbanisation of the Stalinised socialist states, all of which had been relatively backward countries before the overthrow of capitalism, this process of extensive growth of the productive forces was accomplished at the cost of tremendous and unnecessary waste of economic, social and natural resources.

Without a deepening of the workers' socialist consciousness and their active involvement in economic planning and management there is no way to produce quality goods in the transition from capitalism to socialism. But bureaucratic planning and management methods destroyed rather than encouraged working-class initiative, and undermined socialist attitudes to work. Thus, bureaucratic planning and management methods increasingly came into conflict with the task of modernising production in industry and agriculture to produce high quality goods, leading to a slowing down of economic growth, a deepening social crisis, and an erosion of confidence in the effectiveness of the nationalised, planned economy within the population as a whole.

In the face of this accelerating crisis, the bureaucracy sought to preserve its privileges by introducing more and more capitalist features into the nationalised, planned

economy: organisation of the economy on the basis of profitability of individual enterprises; tying of incomes (of factory managers and even of workers) to enterprise profitability; a wholesale market for exchange of producer goods between state enterprises; autonomy of enterprise decision-making in matters of price, investment, and orientation of production; selling of shares in state enterprises through stockmarkets; auctioning off of state enterprises to private buyers. The bureaucratic caste thus began to dismantle the nationalised, planned economy, to wipe out the socio-economic foundations of the socialist state, and to prepare the way for a restoration of capitalism. Increasing elements of the bureaucracy sought through corruption, black-marketeering and embezzlement of state property to accumulate capital in their hands and, in open alliance with imperialism, set out to transform themselves into a new capitalist ruling class.

Stalinism was not a distorted, bureaucratic form of “socialism,” but rather a stage on the road to capitalist restoration. The Stalinist bureaucracy was a petty-bourgeois social stratum with interests hostile and opposed to those of the working class. It was bourgeois in its attitudes and aspirations, and was the chief transmission belt into the socialist states of capitalist ideological values: contempt for workers; desire for private enrichment; servility toward established authorities; racism and national chauvinism; reactionary views on women and the family; fear of unfettered debate; anti-internationalism; and even open anti-communism. It preserved socialised property only to the extent that it feared that the economic chaos and decline in living standards resulting from its abolition would lead to a revolt by the working class against the bureaucracy’s monopoly of political power.

The longer it preserved itself in power the more the bureaucracy undermined any identification of the workers with the nationalised, planned economy, and thus weakened their ability to resist its inevitable attempt to transform itself into a new capitalist ruling class. However, once the bureaucracy made an open turn toward restoring capitalism it began to create the social conditions in which the working class could start to overcome its political atomisation and develop independent organisations of struggle.

In the course of struggles to defend their social and democratic rights, the workers can rapidly regain an understanding of the need to defend socialised property forms. However, the indispensable condition for a successful defence and revival of socialised property is the revolutionary overthrow of the political rule of the petty-bourgeois bureaucratic stratum and the establishment of a workers’ democracy. This cannot be accomplished without the leadership of the most politically conscious and experienced workers, organised into a mass revolutionary party built upon Leninist lines.

The experience of Stalinism demonstrates that workers' democracy is not merely one "model" of political organisation of post-capitalist society; it represents the only effective means to consolidate working-class rule and to build socialism. ■

## **Section 3. Stages in the Transition to Socialism**

Because of the specific obstacles to be overcome and tasks to be accomplished, the transition to socialism within Australia will occur through two main stages.

### **The first stage of the transition period**

The main task of the first stage will be to break the political and economic power of monopoly capital.

Since the capitalist state is the political instrument of the rule of monopoly capital, and since the working class can begin the socialisation of the ownership and management of the productive apparatus only through the conquest of political power, the working class must overthrow the capitalist government and transfer political power to a working people's government. The working people's government must move immediately to dismantle the capitalist state machine, beginning with its repressive apparatus — its police, military forces, judicial bodies, etc — replacing it with armed forces and a judicial system devoted to defence of the working people's interests. The capitalist parliamentary system must be replaced by a democratically centralised system of genuinely representative institutions of popular power arising out of elected committees or councils created by the workers and their allies to impose their interests in all areas of economic and social life, including factories, offices, hospitals, schools, transport and communications centres. From these councils delegates would be elected to municipal councils, which in turn would elect delegates to regional councils. Within the areas in which they represented working people, these councils would take over the functions of public administration from the institutions of the capitalist state.

This democratically centralised system of popular representation — in which the elected representatives rather than unelected officials would be responsible for public administration, and in which they would be subject to immediate recall by their electors and paid at no more than the average wage of a skilled worker — would culminate in

a national congress of delegates elected by the regional councils, which would appoint the central executive bodies of the revolutionary government.

Through such a system of centralised representation and decentralised administration, working people would be drawn into the tasks of public administration not only through their votes but through their participation in the actual management of society at all levels.

The revolutionary working people's government would promote the generalisation of mechanisms for workers' control over the capitalist monopolies. In the process of supervising their day-to-day operations, the workers employed by the big corporations and banks will gain the experience and knowledge necessary to move forward from workers' control to workers' self-management. As this occurs, the working people's government would progressively nationalise the major industrial, agribusiness, commercial, transport, communications, mass media, banking and financial corporations and thus bring the decisive levers of economic power under its direction.

With the expropriation of monopoly capital and the consolidation of institutions of popular power as the basis of the new state, the social domination of the capitalist class will be decisively broken. The capitalist social order will have been replaced by a society in which the interests of the working class are politically and economically dominant. The new socialist state power will be the political instrument for the defence and organisation of the rule of the working class, and for effecting the transition to socialism.

## **The second stage of the transition period**

The consolidation of the socialist state will open the way to the second stage of the transition to socialism — the passage from a multi-structured economy (i.e., an economy with a mix of different property forms) to an economy in which private ownership of the means of production is completely eliminated and in which the economy is directed according to a democratic plan for the satisfaction of the most pressing social needs. Decisive and consistent steps will be taken to begin to eliminate the deeply entrenched social inequalities that are based on the oppression of women and racist discrimination.

The operations of state enterprises would be coordinated through a democratically centralised system of national economic planning. The remaining, smaller, capitalist enterprises — most of which played a subordinate role to the monopolies — would be required to adhere to the role allocated to them in the economic plan. Self-employed business operators and family farmers would be offered assistance to maximise the productivity of their enterprises and assure them a comfortable livelihood.



In the first stage of building socialism there will still be an exploiting class, though dispossessed of political power and economically subordinated to the dominant socialised sector of the economy. The second stage in the transition period will be marked by the gradual socialisation of all the means of production, beginning with the remaining enterprises employing hired labour.

While moving, at a pace consistent with social and economic needs and the administrative capacities of the workers, to bring all privately owned enterprises using hired labour under state ownership and workers' self-management, the socialist state will respect the right of individuals and families to own and operate businesses using only their own labour. It will avoid arbitrary, premature, and oppressive measures against small individual proprietors, working farmers and self-employed professionals. In fact, it will offer assistance to enterprises based on individual labour, and to anyone wishing to form cooperative enterprises in which all who work in them are equal partners in their ownership. It will seek, by force of example, to demonstrate to small proprietors the material advantages of socialised labour.

The existence of commodity-money relations during the transition period is an inevitable consequence of the relative underdevelopment of the productive forces and the resulting relative shortage of consumer goods and services. As long as such shortages remain, consumer goods and services will retain their commodity character (i.e., products for sale), with access to them being rationed by the capitalist mechanism of payment for work (with skilled labour receiving a higher monetary remuneration).

The socialist state will massively expand both the availability and quality of goods and services that monopoly capitalism has previously included in the "social wage" (for example, free primary and secondary education, free school meals, free health care, free parks, museums and sports-grounds) and rapidly extend it to include other services whose costs can be more easily socialised such as public transportation, tertiary education, etc. Nevertheless, at the beginning of the transition period the bulk of consumer goods and services will still be allocated on the basis of each individual's contribution to social labour, through the payment of money wages.

The survival of money-commodity relations in the sphere of consumption creates an unavoidable retention of the use of monetary standards in the relations between publicly-owned enterprises making producer goods (means of production), without however implying real market relations (since in these relations transfers of resources do not involve any change in ownership). Since the production cost and sale price of consumer goods are calculated in money, it is simpler to make the same calculations for producer goods as well. As a result, the whole economy of the transitional period is marked by a constant battle between the logic of planning (which as an affirmation

of the directly social character of labour contains a fundamentally egalitarian dynamic) and the law of value (which encourages the persistence of the defence of private interests and therefore of the persistence of a tendency toward private enrichment, individual selfishness, etc.). The operation of the law of value in the transition period cannot be overcome by administrative decree, but its influence can be progressively reduced through the growth in the productive forces, the consolidation and extension of planning, the incorporation of more and more consumer goods and services into the “social wage,” and the international extension of the socialist revolution.

A rational relationship will therefore need to be established between overall economic planning and the surviving elements of the market economy that avoids bureaucratic arbitrariness on the one hand, and a return to the anarchy of the market on the other.

Experience has shown that economic planning is undermined by attempts by central planning authorities to dictate detailed and complete production targets for individual enterprises, whether in terms of physical quantity, value (cost of production), or earnings. A degree of freedom of action for these same enterprises enables central planning to function more efficiently. On the other hand, the whole superiority of a planned economy compared with a market economy lies precisely in the fact that it substitutes the maximum overall efficiency of investment by society as a whole for the maximum profitability of each separate enterprise. Reliance on market mechanisms and capitalist economic categories (e.g., profit, interest, law of value, etc.) within the state-owned sector undermines and blocks the possibilities of conscious planning of social and economic priorities by the working people.

The planning authorities should therefore make use of the market for the distribution of consumer goods, without yielding passively to it. They should seek to guide the market by means of incentives, while not hesitating to coerce it by means of injunctions wherever this is required for the realisation of social goals, as freely decided by the working people. Within the state-owned sector, each individual enterprise should function as a “subsidiary” of a single “firm” — the socialist state — applying the most rational techniques of planning, organisation, and accounting previously developed by monopoly capitalist corporations, but subjecting these to the democratic control of elected management bodies at the level of individual enterprises, different branches of industry, and within the nationalised sector as a whole.

While recognising their unavoidable necessity during the transition period, the socialist state should promote the withering away of commodity-money relations and individual material incentives. As the productive forces of society grow, and as people’s consumption patterns are progressively rationalised with their emancipation from

economic insecurity and poverty, an increasing number of consumer goods can be distributed according to the satisfaction of needs rather than in exchange for money (that is, incorporated into the “social wage”).

As the new economy develops the material basis to progressively substitute free access to consumer goods and services for the old system of distribution through money wages, the socialist state should promote a continuous transformation of daily habits, morals, ideology and culture. This ideological and cultural transformation will be aimed at systematically reducing tendencies towards individual acquisitiveness, instead encouraging voluntary cooperation and solidarity, not through state coercion, but by persuasion, education, and above all, as a result of the altered socio-economic conditions, through example and experience of everyday life.

The planned development of the productive forces and the consequent increases in the standards of living, qualifications and culture of the workers will overcome the objective conditions of the social division of labour between managers and managed. The radical and continuous shortening of the working day, and the gradual elimination of tiring, monotonous, repetitive labour through the increasing application of automated production techniques, will provide increasing numbers of working people with the material possibility of developing popular self-government.

While substantial advances along the road to building socialism can be made by a socialist state in Australia, the completion of the transition to socialism is impossible without the victory of socialist revolutions in other countries, particularly other highly industrialised countries. Only the international victory of the socialist revolution is capable of creating the necessary preconditions for a successful conclusion of the process of constructing a socialist society by extending the international division of labour and by removing pressure from the remaining capitalist powers. This pressure includes the compulsion to divert social resources to military defence.

The development of the productive forces to a higher level than attained under even the most advanced capitalist economy is an essential material precondition for the emergence of the classless society. This can only be accomplished through maintenance and extension of the international division of labour on the basis of planning the world economy.

Both international economic planning and a radical redistribution of material resources in favour of the poor nations are necessary to overcome the gross social and economic inequality that imperialism has introduced between nations.

The Australian socialist state, as part of a growing international federation of socialist republics, will provide generous material aid to help overcome the legacy of backwardness and poverty that imperialism has inflicted on the oppressed nations of

the world.

In carrying out this task, it will be necessary to overcome egotistical, short-sighted, narrowly nationalistic ways of thinking, which exist today among important sections of the working people in imperialist countries like Australia. This will require the development of a spirit of working-class internationalism, together with an economic policy that demonstrates that the redistribution of material resources to poorer nations can take place without reducing the living standards of the working people in the highly industrialised countries. This policy can be achieved through the elimination of unproductive expenditures such as military spending, through the elimination of the enormous waste of resources inherent in the capitalist private-profit system (as a result of periodic recessions and permanent underutilisation of capacity; irrational organisation of industry, transportation and distribution networks; unnecessary packaging and advertising, etc.) and through freeing the creative power of the workers.

### **The socialist society**

Basing themselves on a historical-materialist analysis of the tendencies inherent in the development of socialised productive forces, Marx and Engels distinguished two phases in the development of the future socialist or communist society.

The first phase of socialism, while based on a far higher level of development of the productive forces than exists under even the most advanced capitalist economy today, will not yet be fully mature economically and entirely free from the traditions and vestiges of capitalism. While the means of production will have become common property and all citizens will have become working partners in a single, worldwide, democratically centralised planned economy, in the first phase of socialism it will still not be possible to eliminate inequality in the distribution of consumer goods. Apart from the free satisfaction of the most basic needs, the distribution of consumer goods and services by and large will continue to be measured in terms of the quantity of labour given by the individual to society. Since no two individuals are really equal in their capacity for labour, or in their needs, the principle of equal remuneration for equal amounts of labour gives unequal individuals equal amounts of products for effectively unequal amounts of labour. This inequality in the division of consumer goods and services will mean that in the first phase of socialism a state will continue to be necessary to regulate the distribution of products and the allocation of labour. However, since classes will have withered away this state, which consists of the armed workers themselves, will have lost its character as a coercive instrument for the systematic repression of one class by another.

In the higher phase of socialism, humanity will pass beyond formal equality in the

distribution of consumer goods and services to actual equality, that is, to the operation of the rule *from each according to their abilities, to each according to their needs*. As a result of the planned development of the productive forces and the full automation of production, socialism in its higher phase will be able to assure society such an abundance of goods that labour will cease to be a requirement for the satisfaction of people's material wants. Each individual's material wants will be freely satisfied according to need. Labour itself will disappear and be replaced by free creative practice. The state, as a special apparatus of coercion, will wither away and be replaced by a purely technical administration of the general business of society based on the people's voluntary fulfilment of social duties. Socialist society in its mature phase will be based on the most complete human solidarity. The leisure and educational opportunities which will be afforded to everyone through the provision of material abundance will offer every individual possibilities for the fullest development of their creative abilities. For the first time a truly human society will exist in which the free development of each individual will be the condition for the free development of humanity as a whole. ■

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