

THE "PEOPLES' ECONOMIC POLICY" - A TRAP FOR WORKERS

Unemployment is increasing nearing half a million, company profits are increasing. Production is falling. The buying power of workers' wages is being cut to the bone. The Fraser Government says it will cut wages and social service further to speed up "recovery".

Australia is now facing the brunt of an economic crisis affecting the whole world economy. High rates of inflation and unemployment combined with the closure of major industries are the symptoms of this crisis. The world economy, in time of crisis or not, is not an aggregate of independent economies but a system regulated by certain laws of a scientific character. In this context two or three of the most powerful nations - the United States, West Germany, Japan have genuine political independence and dominate all other nations except those which have contracted out the capitalist system. These major imperialist powers possess the main reserves of finance capital and the political dependence of other countries on these powers has its basis in **financial** dependence. Conflict between these powers for re-division of the world intensified in crisis - takes the form of war, first trade war then armed struggle. In such a crisis means that the banking institutions representing the different powers try to rationalise the system by selective withdrawals or in other cases injections of credit. This 'rationalisation' hits the weakest countries in the world economy first, and, within those weak countries, the weakest sections of their economies.

Australia has the living standards of a minor imperialist power and the economic structure primary products and minerals exports of a colony. It combines imperialist and colonial characteristics. Accordingly, its living costs, inflated by colonial standards, are depression situations forced downward toward the general colonial level. Australia, along with New Zealand, is one of the weakest links in the chain of rich nations. Its workers must therefore prepare to fight against falling living standards, while repudiating the imperialist privileges and lower wages (it's Asian workers on which these living standards have been largely based). There must be a struggle for higher wages and shorter hours for workers which is **international** in character. What is called Australia's ceasing to be an "advanced" country really means the decline of Australian **imperialism**, her decreasing power in Asia, her weakness even in the old colonial enclave of New Guinea. Workers should welcome this decline of imperialism and demand that the ruling class, not the workers, pay for the costs of **their** imperialism.

These are facts every thinking worker has to face. The question is how, in the face of this situation, to light back. A booklet, **Australia Uprooted**, published by the Metal Workers' and Shipwrights' Union, offers all the answers, as part of what is called a Peoples' Economic Programme.

A programme like this is a defence of Australia as an "advanced capitalist country" by union bureaucrats to pull wool over the eyes of the rank and file.

The **Peoples' Economic Programme** glorifies Australian manufacturing. It says the difference between all "advanced" countries and a colony is - manufacturing. Workers, however, have only one interest in Australian capitalist manufacturing, and that is to change it from top to bottom. Workers need manufacturing industries of some kind in Australia to provide employment and to produce goods not for profiteers, but for the majority of the world's people living below the poverty line. But workers do not need the kind of manufacturing Australia has now, nor the people who own it.

The history of the Australian manufacturing so beloved of union ^{Officials} is, like the entire economic history of Australia itself, a record of parasitism, racism, colonialism and imperialism. Australia is a settler colony, a direct transplantation of the economic relations of the dominant European trading

nation

to the periphery of the South East Asian region. The network of capitalist relationships which took sometimes decades, sometimes centuries to penetrate the semi-feudal agrarian economies of Indonesia, Malaysia, Thailand, China and Indochina, were imported into Australia ready-made. So long therefore, as Western colonialism's indirect rule of South-East Asia through the indigenous landlord class and aristocracy obstructed economic and social development in the region, Australia could reap the superprofits which accrued to her as the major (and only, except for New Zealand) capitalist state in the South Pacific. It speaks volumes for the **colonial** character of Australian capitalism that over the whole extended period when tier closest neighbours to the north were still sunk in feudalism, Australia managed only to increase her agricultural production. Oil a marginally more scientific basis and from time to time -- when loan capital from England stopped coming in unearthing a few more mineral deposits, part of vast potential mineral wealth still untapped. This was what England, and later America, wanted. Australia never tried to develop manufacturing exports to Asia; this would have meant conflict with the dominant imperialist powers in Asia, Britain, France and Holland.

Japan, which industrialised as Australia never did, immediately found herself in conflict with the European powers. Australia always feared such a possibility. Her early capitalist development gave Australia high living standards, as a privileged trader with Britain - at the expense of a then backward Asia - and manufacturing of a kind acceptable to British imperialism, that is, totally orientated to the Australian market, and uncompetitive with any larger industrial nation. It is this manufacturing which the Peoples' Economic Programme now wants to pass off as a sign of Australian independence and productivity! The fact that the condition of Australian manufacturing and its economic subordination to mining throughout history proves conclusively that Australia always has been and still is a colony and can only be called an "advanced" nation by patriotic scoundrels with an eye on "subsidies" from the manufacturing interests.

Australian manufacturing, far from making Australia more self-sufficient, has increased dependence on

Europe for supplies of machinery, raw materials and technical know-how. The Australian state has been cocooned further to the web of European and American loan capital to promote "development". Tariffs set up to protect "Australian" manufacturing allow British and American multinationals to secure monopolistic profits and freedom from competition by setting up factories in Australia which now dominate secondary industry. The sections of manufacturing still not under direct multinational control - so-called "Australian" firms - usually, like Broken Hill, pay the lowest wages and offer the worst conditions. Usually undercapitalised, they are easily taken over or controlled by the giant monopolies. In the present world economic crisis, a rationalisation of investment by the most important manufacturing Multinationals could eliminate the bulk of Australian manufacturing by a simple transfer of capital to other countries. No government could stop this. The history of Australian manufacturing is a history of economic parasitism.

It is useless to try, as the Peoples' Economic Programme does, to counter the growth of multinationals by changing government policies. Governments are too weak to fight multinationals. It is useless to fight on purely national lines. Multinationals play off one nation against another. It is useless to defend Australian manufacturing against the multinationals. Big capital always dominates small capital, and operates as banker for it. It is useless to defend Australia's "advancement" against the rest of the world. That means defending Australian imperialism.

The Peoples' Economic Programme aims at a coalition of workers with an unspecified in class terms "people" to fight the multinationals by using the power of the capitalist state. This is the policy of Stalinist anti-monopoly coalition - coalition with the Labour Party fake lefts the same policy tried and failed under the Allende regime in Chile, the policy of attacking imperialism and the multinationals; gradually, through parliamentary legislation. Instead of this, the international working class must be mobilised to smash **both**

imperialism and the capitalist state through the organised power of the class and its allies. There is only one way for Australia to escape domination by the multinationals and one or other of the governments they control. That is by contracting out of the economic system over which the multinationals preside -- imperialism, moribund capitalism. For the world struggle for socialism, the Peoples' Economic Programme tries to substitute a deal with the Labour Party "left" to win reforms **at a time when capitalism in crisis will not countenance reforms which threaten the rate of profit.** The sacking of the Whitlam government proved imperialism cannot tolerate in this period, the weakest most milk-and-water reform programme. The P.E.P.'s authors have not even learnt this lesson. For Whitlam's reforms, jettisoned rudely, lock, stock and barrel by finance capital, they want to substitute another, weaker reform programme which does not guarantee higher, or even existing, wage levels -- which they hope imperialism will accept so long as socialism is renounced. They fail totally to understand that **no reforms** are now possible unless imperialism is confronted by a working class fighting for total power. As factory after factory is threatened with unemployment, action committees spring up independent of and fought bitterly by union officials to organise rank and file workers in the tight fur jobs. The union bureaucracy turned off the sound at the Chrysler mass meeting before an action committee could be elected. The result was 800 jobs lost. Action committees **can become permanent factory** committees which constitute themselves the leaders of the move to expropriate - **not nationalise - the** entire manufacturing sector. Nationalisation means the state **subsidises bankrupt capitalists and gives them** top administrative jobs while the workers are divided and **their wages and conditions broken down.** Expropriation means workers take control of a factory and hold **it by their own strength and organise** production themselves. Instead of walking out of the gate. **sacked, and smashing the fronts of the bosses'** cars in rage at powerlessness like the Chrysler workers, **occupations of factories** are necessary. The interlinking of industries like shipbuilding means that such moves are now possible on an international basis -- an agreement between Newcastle shipbuilding workers and their Japanese brothers would have saved **Newcastle jobs. Such actions** can only be first steps toward socialism in Australia and the world, dependent for their success on similar actions by all workers, inside or outside. Some "criticism" of the Peoples' Economic Programme has come from the fake Trotskyist groups, the Socialist Workers Party and the Communist League now embarking on an unprincipled fusion. It is not surprising that these "critics" agree more with the Stalinists than they disagree. They agree that Australia is an "advanced capitalist country". They agree that the Australian ruling class requires the growth of manufacturing. They agree that there is a national Australian ruling class with interests of its own. They agree that talking about the need to smash the capitalist state is left sectarian. The Stalinists who back the Peoples' Economic Programme are just more **honest** than the fake Trotskyists. The Stalinists know that the characterisation of Australia as an advanced capitalist country is not a scientific definition but a nationalist rallying cry, and use it as such. The fake Trotskyists close their eyes to how this phrase is actually **being used** in the workers movement and claim it is "really" internationalist. The Stalinists believe that a ruling class with interests different from the "multinationals" exists and try to make an alliance with it against "imperialism". The fake Trotskyists ignore the fact that their theses of the existence of a national - as opposed to a compradore -- bourgeoisie with independent interests leads directly to the Stalinist position that the divisions between capitalists should be exploited. The Stalinists see the "independent" ruling class's "commitment to manufacturing" as evidence that there can be an alliance with it on this area, to protect jobs, against imperialism. The fake Trotskyists admit all the preliminaries, but blind themselves to the inescapable conclusion. The Stalinists want to work through the capitalist state and the Labour Party. The fake Trotskyists pretend to denounce this, only to do it themselves in the equally popular front Right. To Work Campaign which also isolates unemployment as a purely national problem, the supreme act of

dishonesty comes when they fail to see that, not as a result of capitalist government "policies" but as a result of the impact of depression on the weakest sector of the economy, factories are closing one after another and sackings are mounting precisely **in the manufacturing** area. At least the Stalinists manage to see what is happening before their eyes if only to sell out the real workers struggle. The fake Trotskyists also betray, but because of their systematic dishonesty and stupidity, it is in this case a fictitious struggle they sell out.

The fake Trotskyists counterpose to the capitalist structural reform politics of the Stalinists the extension of existing economic struggle. They do not understand that precisely in crisis, the power of the unions is weakened by growing unemployment and workers are forced to fight politically not only against their own ruling class but also against **its state**, forced to fight for **everything** to win anything at all.' In this period, renewed calls by the Stalinists for protectionism politicise the economic struggle for wages means that the fight is no longer to defend wages on a national level alone, but to make the sliding scale of hours and wages an international slogan, raising the **level** of wages in Asian countries to Australian levels. That requires a real political fight against Australian imperialist attitudes in the working class, something that the fake internationalists of the CL and SWP have not and will not do because they do not raise any international demands in relation to unemployment. At least, however, they are less abstentionist than the youth vanguardist Spartacist League which prefers campaigning for bureaucratic office in Sydney University Student Representation Council to writing a single article warning workers against the latest Stalinist popular front.

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